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## F-14 Would Have Presented Minor Threat to U.S. Cruiser

By Richard Halloran  
*New York Times Service*

WASHINGTON — The Iranian F-14 fighter that the U.S. cruiser *Vincennes* thought it had detected in an attack posture over the Gulf on Sunday would have posed a limited threat to the ship, aerospace industry and military officials said Wednesday.

The *Vincennes* shot down an Iran Air A-3008 Airbus over the Gulf, killing all 290 persons aboard. After the ship's captain concluded that the airman's identification signals were those of an F-14 on its way to attack.

At the same time, some U.S. Navy officers said they had not

ruled out the possibility that an Iranian F-14 fighter was flying near the airliner.

Both assessments differed from earlier statements by senior officials of the Defense Department. J. Daniel Howard, the chief spokesman for the Gulf incident has opened Page 2.

A U.S. inquiry of the Gulf incident has opened. Page 2.

man for the Pentagon, said Wednesday that an Iranian F-14 could have threatened American ships with anti-air missiles capable of causing much more damage than the weapons the plane normally carries.

Since Sunday, officials have said

publicly that they had no evidence that an F-14 was involved in the clash.

A spokesman for Grumman, maker of the F-14, was asked whether the plane, which was designed for air-to-air combat, could attack a ship. "When we delivered the F-14's to Iran, they were capable of firing Sparrow, Sidewinder and Phoenix missiles," he said, referring to air-to-air missiles.

Mr. Howard said that Iran had Harpoon anti-ship missiles that "they can sling under an F-14 with no difficulty."

He would not say, however, the United States had evidence that F-14s had been seen flying with such missiles or had used them against ships.

He asserted that the crew of the *Vincennes* "had identified this aircraft as an F-14. They had to assume that it was a direct threat to them, whatever mode and whatever type of ordnance it was carrying."

■ U.S. Says Error Is Possible  
*Stephen Engelberg of The New York Times reported earlier from Washington:*

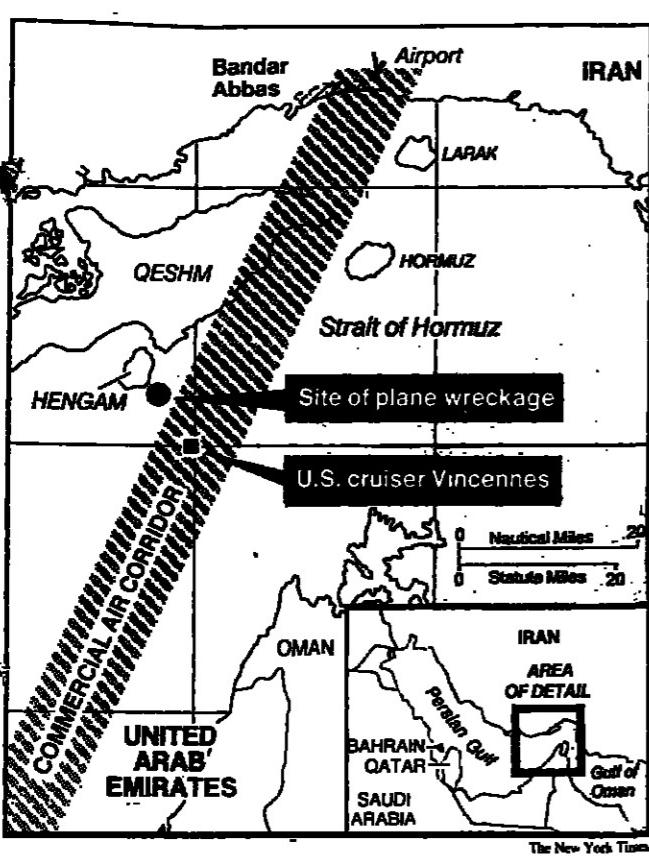
Military briefers reportedly have acknowledged to congressional leaders that there is a chance that the *Vincennes* picked up a military signal from elsewhere in the Gulf and mistakenly attributed it to the Iranian jetliner it was tracking on its radar screens before the plane was shot down.

The navy briefers' alleged remarks appeared to be at variance with comments made by Mr. Howard, who said the ship shot down the civilian jet after it was detected emitting both military and civilian identification signals.

Earlier reports indicated the signals led the ship's crew to believe it was tracking the military plane.

But Representative Les Aspin, Democrat of Wisconsin and chairman of the House Armed Services Committee, said after a briefing late Tuesday that Pentagon offi-

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The New York Times

## Insider Scandal Strikes Japan

By Margaret Shapiro  
*Washington Post Service*

TOKYO — The president of Japan's biggest financial newspaper, Nihon Keizai Shimbun, resigned on Wednesday over an insider trading scandal that has touched several of the nation's political leaders, including former Prime Minister Yasuhiro Nakasone and three contenders for prime minister.

The resignation of the executive, Ko Morita, followed by hours a report in the national newspaper, Asahi Shimbun, that sides to several Japanese political leaders had

bought shares in a real estate company before it went public and sold them when the company went public two years later at a substantial profit.

According to the report, those involved included political aides to Mr. Nakasone, Finance Minister Kiuchi Miyazawa and Shintaro Abe, a leader of Japan's governing Liberal Democratic Party.

Earlier reports had alleged that aides and relatives of a score of politicians, including another Liberal Democratic Party leader, Mikiro Watanabe, and former ministers of agriculture, education and defense, were also involved in the buying and selling of shares of the Recruit Cosmos Co.

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Japan is known for its loosely-regulated stock market and a political world closely tied to big business. But even by these standards, the allegations were startling.

It was not immediately clear what role Mr. Morita played in the affair. But a spokesman for the Nihon Keizai Shimbun group said at a news conference that while the trading done by Mr. Morita in the shares of Recruit Cosmos was not strictly illegal, it did pose ethical problems.

President Morita wants to regard this case as a moral problem, and wants to take the responsibility in order to prevent his personal

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### Kiosk

#### GAF Indicted In Stock Probe

NEW YORK (AP) — A U.S. grand jury indicted GAF Corp., two of its subsidiaries and its chief administrative officer Wednesday for the alleged manipulation of the price of Union Carbide Corp. common stock in 1986.

GAF made an unsuccessful hostile takeover bid for Union Carbide in 1985 and held out the threat of another attempt until it sold much of its stake in late 1986.

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By Richard L. Berke  
*New York Times Service*

BOSTON — Michael S. Dukakis cuts his grass with a simple hand-powered lawn mower, probably the only one left on Perry Street in Brookline.

He rarely uses credit cards, and he pays the bill immediately when he does. He owes no money and buys generic grocery products.

To neighbors, it appears that his ideas of household indulgences have a 1963 Sears snow blower and a recent cave-in to demands of his family: subscribing to cable television.

Twenty-six years after he first won elective office as a state representative, the prospective Democratic presidential nominee lives comfortably but not extravagantly.

He has made hardly any investments. The last time he took a financial risk was 25 years ago, when he bought the Brookline apartment building where he lived at the time.

But Mr. Dukakis is more affluent than his personal financial habi-

its would suggest. According to tax returns, financial disclosure reports and other documents he has made public over the years, he has a net worth of about \$500,000, including his house and investments.

Beyond that, he stands to inherit about \$1 million in family trusts left by his father, Panos, a family doctor who died in 1974. Vice President George Bush, Mr. Dukakis' expected Republican opponent, has a net worth of about \$2 million.

He inherited \$140,000 on the death of his father, while his mother, who is still alive, inherited most of the \$3.5 million estate.

Neither is fabulously wealthy, and neither has had to struggle to make ends meet. But their wealth figures in the campaign, because of what Mr. Bush's aides contend is a misconception that the vice president, who was reared in affluence in New England and later was in the oil business in Texas, is far wealthier than Mr. Dukakis.

Mr. Dukakis plays on this perception. He encourages talk of his

paramony; the image meshes with his campaign message that the country needs a president who is a manager, who can balance budgets.

His campaigning reflects this message. Before his campaign reached the point of chartering planes, he was careful to tally mileage as a frequent flier on commercial flights. When his staff began having fancy buffets delivered to his hotel suites on the road, he halted the practice.

And the message gets under the skin of the Bush campaign. "Bush worked like a dog for his money," said Lee Atwater, the vice president's campaign manager. "The reason Dukakis doesn't care much about money is he didn't work for it. He inherited it."

Mr. Dukakis is indeed a direct beneficiary of \$1 million out of a total of \$2 million held in two trust funds set up on the death of his father, the first Greek immigrant to graduate from Harvard Medical

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Governor Michael S. Dukakis talking politics in Boston.

## After a Long Darkness, Ugandans Begin to Hope

By Mary Battiata  
*Washington Post Service*

NAKASEKE, Uganda — When Abdullah Mwanga, 5, scampers barefoot across his father's cassava fields, he keeps his eyes on the furrows for human bones.

When he finds them, as he often does, he picks them up and puts them in a pile. Then he waits for the government man from Kampala who scoops them into a black plastic bag and puts his head for a job well done.

Abdullah is too young to understand how mud-stained skulls and fractured femurs wound up on the family farm, and why they now are being stacked like coconuts in labeled sacks and hauled away.

For his parents, however, and tens of thousands of others in the fertile, coffee-growing region known as the Luwero Triangle, the black plastic bags offer a small but precious reward for hope.

The government's decision to collect the remains of the estimated 300,000 civilians killed here between 1983 and 1985 by the troops of the president then, Milton Obote, is a sign that Uganda is taking the first steps out of its long dark age.

It has been a slow dawn. Two and a half years ago, the guerrilla army of Yoweri Museveni marched into Kampala, hailed by many as the best hope for the battered country.

The details of testimony at public hearings on atrocities committed by the Amin and Obote regimes often reduce officials to tears.

swollen with new recruits, committed atrocities of its own, albeit on a much smaller scale.

The fighting also devastated the northern half of the country and stalled economic recovery.

By early this year, the ethnic and regional hostilities that have plagued Uganda since independence from Britain in 1962 seemed on the verge of falling it once again.

In June, however, Mr. Museveni restored momentum by signing a peace agreement with the last of his significant rebel opponents.

Human rights groups have credited the government with disciplining soldiers who commit crimes against civilians. Uganda has agreed to allow the International Committee of the Red Cross to visit military detention centers where torture is alleged to have taken place.

Mr. Museveni has moved forward on economic reform as well, earning his government \$320 million in aid pledges from Western donors. This month, the government is expected to announce a reform package, worked out with the World Bank and Western donors, that is intended to prime the pump for even more assistance next year.

Observers say the hardest part — figuring out how and when to divide political power among the country's competing ethnic groups — is yet to come, but in the impoverished capital, the novelty of peace has induced a faint but discernible euphoria.

Christopher Sembajjwe, a 47-year-old Ugandan businessman who returned to Kampala late last year after 13 years of exile in Kenya, is running a garage to make ends meet while he negotiates to recover the Wimpy's restaurant franchise taken from him, and subsequently run into the ground, by Amin cronies in 1971.

"Now you have seen for yourself how Uganda is," he said proudly, showing a visitor the morning crush of minibuses

See UGANDA, Page 2



Striking workers protesting Wednesday at the Belgrade legislature. One carries a picture of Tito.

## Anti-Government Protesters Occupy Belgrade Legislature

*The Associated Press*

BELGRADE — Several thousand workers from Yugoslavia's largest rubber and shoe plant forced their way inside the federal parliament building Wednesday after holding anti-government demonstrations in central Belgrade.

In the first such action in Yugoslavia since World War II, about 4,000 demonstrators clashed with security policemen in front of the parliament building, but the police were unable to stop the protesters from entering.

The demonstrators, representing 10,000 strikers at the plant, traveled on foot and by bus from Borovo, a central Yugoslav town about 100 kilometers (60 miles) west of Belgrade. They began arriving in the capital during the night. They came to the capital to press demands for a 100-percent pay increase and changes in the government's latest austerity program.

At least 10,000 workers at the plant, which employs 23,000 people, went on strike Saturday in what is believed to be one of the largest work stoppages since the war in the Communist nation.

The demonstrators demanded the resignation of Nedan Krstic, the Yugoslav finance minister, who was the director of the factory two years ago and whom they hold responsible for the condition of the installation. The factory is in a financial crisis and has been unable to pay full wages for June.

[Witnesses told Reuters that at least one policeman was injured during the incident, but relative calm was restored after the workers held a meeting with senior officials and left the building.]

The demonstrators in Belgrade were met early Wednesday morning in a trade union building by a government delegation that included Zivimir Hirsh, the state trade union president, and Sasoje Međenica, vice president of the federal parliament.

In addition to the 100-percent pay increase, the workers are demanding a 30-percent reduction in administrative employees, better working conditions and full rather than partial payment of wages for June.

The demonstration in Belgrade's city center came after the negotiations with the government officials.

Hundreds of uniformed policemen kept the demonstrators away from the parliament. The protesters carried Communist Party and Yugoslav flags.

The demonstration is good for Bush because it weakens the ethics issue raised about Mr. Meese's historical issue rather than a day-to-day issue.

Stuart K. Spencer, a longtime Reagan adviser, said in California, "Meese's resignation takes the issue off the table. Of course, it's good for Bush."

White House officials, speaking on condition of anonymity, said the resignation also could prove helpful to President Ronald Reagan. In public appearances during his last year in office, the president has been dogged with questions about Mr. Meese, the "sleaze factor" and various ethical issues.

"It enables us to look forward," said an official. "It gives us a chance to appoint a 'Mr. Clean' or 'Mrs. Clean.'"

Governor Michael S. Dukakis of Massachusetts, the prospective Democratic presidential nominee, said in Boston that Mr. Meese's resignation was "long overdue" but that "by itself, it is not going to solve this administration's problems with ethics in government."

The Reverend Jesse L. Jackson, also a candidate for the Democratic nomination, said in New York

Algeria 6,000 Dir. Iran 115 Rials Ocean 1,000 Rials  
Australia 22 B. Israel 165 Lira 145 Esc.  
Belarus 1,000 Dr. Italy 1,000 Lira 1,000 Dr.  
Bulgaria 1,000 Lira 1,000 Dr. 1,000 Lira  
Canada 1,000 Dr. 1,000 Lira 1,000 Dr.  
China 1,000 Dr. 1,000 Lira 1,000 Dr.  
Cuba 1,000 Dr. 1,000 Lira 1,000 Dr.  
Cyprus 1,000 Dr. 1,000 Lira 1,000 Dr.  
Denmark 11,000 Dr. 1,000 Lira 1,000 Dr.  
Egypt 1,000 Dr. 1,000 Lira 1,000 Dr.  
Finland 8,000 Dr. 1,000 Lira 1,000 Dr.  
France 7,000 Dr. 1,000 Lira 1,000 Dr.  
Germany 2,000 Dr. 1,000 Lira 1,000 Dr.  
Great Britain 1,000 Dr. 1,000 Lira 1,000 Dr.  
Greece 1,000 Dr. 1,000 Lira 1,000 Dr.

## Soviet Forces And Armenians Clash, 36 Hurt

*United Press International*

MOSCOW — Soviet troops backed by armored personnel carriers clashed this week with Armenian demonstrators occupying Yerevan airport, the Soviet Foreign Ministry said Wednesday, leaving at least 36 people injured in the Armenian capital.

Vadim Perfiliev, a Foreign Ministry spokesman, said at a news conference in Moscow that the troops reacted after 1,900 demonstrators refused orders to disperse and instead began hurling rocks and bottles at them. The clash took place Tuesday.

Journalists working for government newspapers in Yerevan put the number of injured as high as 70, and one said a 22-year-old Armenian youth was shot during the clashes. Mr. Perfiliev said that no one was killed in the airport clash.

Sources said that the use of non-Armenian troops to end the airport takeover may indicate that Moscow is losing patience with the nationalist who have been leading strikes and protests since February over the Nagorno-Karabakh issue, and is prepared to reassess its control in Armenia.

The journalists said that Yerevan, a city of 1.1 million people, was struggling with a general strike that entered its third day Wednesday. The airport incident triggered another mass protest in the town's Opera Square.

All factories, public transportation, and most things except food shops and hospitals are closed," a senior journalist

## U.S. Team Begins Vincennes Inquiry

Compiled by Our Staff From Dispatches

MANAMA, Bahrain — A U.S. inquiry into the destruction of an Iranian airliner by the U.S. cruiser Vincennes opened Wednesday with investigators interviewing the commander and senior officers of the guided missile warship, military sources said.

Under a 15-day deadline and an official news blackout, the six-member team of experts went to work hours after arriving in the Gulf late Tuesday.

The group, headed by Rear Admiral William M. Fogarty, a senior staff officer at U.S. Central Command headquarters in Tampa, Florida, includes a military lawyer and technical experts who will analyze computer tapes, communications records and other data.

At the United Nations, the Security Council agreed to take up on Tuesday the complaint by Iran against the United States over the downing of the plane, in which all 290 persons aboard were killed, delegates said Wednesday.

Diplomats said that Iran had not pressed for an earlier meeting, because a delay until next week would allow Foreign Minister Ali Akbar Velayati to attend.

In taking the case to the council, Mohammed Mahallati, Iran's permanent representative to the United Nations, said the United States should apologize to Iran and immediately begin to withdraw its forces from the Gulf.

Iran claims that the Vincennes, one of the U.S. Navy's newest and most sophisticated warships, knew that the plane it shot down over the Strait of Hormuz on Sunday was an Iran Air A-300B Airbus passenger jet.

In Washington, the White House said Wednesday that the United States has begun considering paying compensation to relatives of the victims of the incident.

The chief White House spokesman, Martin Fitzwater, who on Tuesday said compensation would not be considered until the two-to-three-week naval investigation of the incident was over, said that a decision could possibly come before then.

"Compensation is an issue that we are beginning to consider," Mr. Fitzwater said. "Attorneys at the State Department and the Justice Department are now beginning to do their research on that issue."

He added: "We have no timetable for a decision."

The Vincennes is equipped with a computer-linked radar and weapons system described by U.S. officials as the most advanced in the world.

A major goal of the inquiry will be to establish why the radar system did not distinguish between the wide-bodied airliner and a military jet.

U.S. military sources, who declined to be named, said that the first order of business would be interviews, conducted under oath with Captain Will C. Rogers 3d, the skipper of the Vincennes, and other officers involved in the firing of the two Standard missiles that destroyed the Iranian plane.

The inquiry team's mandate does not exclude a recommendation of disciplinary action if cause is found, the military sources said.

The sources also said that the 15-day deadline for the investigation could be extended if necessary.

(AP, Reuters)

## JET: Minor Threat to U.S. Cruiser

(Continued from page 1) officials were not certain whether both signals had come from the civilian aircraft. He said the officials acknowledged under questioning that it was also possible the military signal had come from a separate airplane.

In another apparent discrepancy between the Pentagon's original version of events and its statements on Capitol Hill, Mr. Aspin said he had been told that the plane had been roughly within the accepted civilian air corridor for the flight from Bandar Abbas to Dubai.

The plane, Mr. Aspin said, had strayed to the west side of the corridor, four miles (6.5 kilometers) from the center of the path. It then moved back toward the center of the path in a maneuver that put it on a direct heading toward the Vincennes.

According to a public briefing Tuesday by Mr. Howard, the jetliner was recorded by the Vincennes as giving off identifying signals associated with Iranian F-14 fighter aircraft in addition to those of a civilian plane could emit.

Admiral William J. Crowe Jr.,

chairman of the Joint Chiefs of Staff, said Sunday that the Vincennes had unspecified electronic evidence that suggested the airline was an F-14 fighter aircraft. The evidence was the military signals.

Neither Mr. Howard nor other Pentagon officials offered an explanation of why a civilian airliner would broadcast the type of signals reserved for military traffic on its transponder, a device that, when struck by radar, sends back to the radar's source an amplified signal that serves to identify the aircraft.

According to Mr. Howard, when the Vincennes' radar picked up the jetliner, the plane's transponder appeared to send two different types of responses. One was compatible with normal commercial aviation; the other was one that could be sent only by a device encoded for military use.

The presence of the two signals raises the possibility that an Iranian fighter aircraft was near the civilian plane at the time the Vincennes fired two missiles. But Mr. Howard said the Pentagon continued to believe that only one aircraft was involved in the incident.

Admiral William J. Crowe Jr.,

## Jet Was on Course, Iranian Insists

Washington Post Service

BANDAR ABBAS, Iran — The Bandar Abbas airport manager said Wednesday that Iran Air Flight 655 was shot down as it climbed steadily on course well within a commercial air corridor used regularly by about 100 scheduled civilian flights.

The Iranian official, Hussein Peyrousi, said initial U.S. statements that the A-300B Airbus was outside its normal flight path were untrue, according to data recorded by a control tower radar at the Bandar Abbas Airport.

After first maintaining the aircraft was four miles (six kilometers) west of its assigned corridor, the Pentagon acknowledged Tuesday the assertion was wrong.

"The situation was quite normal," added Mr. Peyrousi, who said he was in the control tower at the time. "Everything was normal. The aircraft was right on course. He was on the right track."

Mr. Peyrousi spoke to reporters who had come

to view stacks of victims' bodies and shattered sections of the aircraft. The bodies and wreckage were recovered from the site, about 30 nautical miles from Bandar Abbas where the plane went down Sunday morning with 290 people aboard after being hit by a standard surface-to-air missile fired from the U.S. cruiser Vincennes.

Iranian officials appeared determined to give the tragedy maximum exposure in U.S. and other Western news media to cast aspersions on the United States. Reporters were granted visas swiftly and officials planned a large memorial demonstration and funeral Thursday in Tehran.

A few bodies were buried in a ceremony in Bandar Abbas on Wednesday, presided over by Hashemi Rafsanjani, the speaker of the Iranian parliament and the commander of the Iranian Armed Forces. The other bodies were taken from a warehouse and flown to Tehran for the mass funeral services, official said.

## MEESE: Resignation Is Relief to Administration and to Bush Campaign

(Continued from page 1) that Mr. Meese was "just another chapter in a rising sleaze factor in the Reagan administration."

But there was no attempt in the Bush camp to hide the joy and relief at Mr. Meese's resignation. "Ed did the right thing, and I wish him well," the vice president said in a laconic statement.

Robert Teeter, a Bush strategist, and Peter Tandy, the vice president's former press secretary, were already on record that as saying that Mr. Meese was a liability for Mr. Bush's campaign. The former White House chief of staff, Howard H. Baker Jr., who returned to private life last week, had also said publicly that Mr. Meese's legal difficulties were hurting Republican prospects.

While this view was widely shared in Republican circles, there was also widespread recognition that Mr. Reagan strongly backed the attorney general, a longtime

associate and friend, and would not ask for his resignation short of an indictment. For this reason, Mr. Baker did not seek Mr. Meese's firing. Kenneth M. Duberstein, the new White House chief of staff, said Tuesday that Mr. Bush also did not exert pressure for Mr. Meese to leave.

Privately, Bush supporters and some White House officials had been critical of Mr. Meese's refusal to leave in the face of public opinion polls that showed him to be a Republican liability. Tuesday, however, the reaction from Mr. Meese's longtime critics in his party was gratitude that he had taken what one Republican close to the White House called "the last window of opportunity" to leave on his own terms.

Representative Lynn M. Martin, Republican of Illinois, national co-chairwoman of Mr. Bush's campaign, expressed a similar view. "Meese got what he needed, not

leaving town under the cloud that he was guilty," Mrs. Martin said. "On the other hand, the question of what are we going to do about Ed Meese certainly isn't going to be asked any more."

Another Republican said Mr. Meese's resignation will "remove a rhetorical flourish in the average Democrat campaign speech and give the vice president more chances to talk about his issues."

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Mr. Meese called about 4 P.M. as Mr. Reagan was about to depart.

Mr. Meese replied: "If that's your determination, all right."

## UGANDA: After the Long Years of Darkness, Ugandans Begin to Hope

(Continued from page 1) peers is at work repairing boulevards.

More significant, perhaps, are the proceedings under way in a dingy auditorium of the Kampala police barracks, where a panel of high court judges and senior lawyers known collectively as the Commission of Inquiry, is conducting public hearings on human rights atrocities committed by the Amin and Obote regimes.

The details of the testimony, which comes from ordinary citizens, priests, children, all under

arms, often reduce the presiding officials to tears. Excerpts are broadcast every Sunday night on Uganda Television, and long excerpts are printed in the nation's newspapers.

Nearly half of Uganda's estimated 15 million citizens are illiterate, and many more have little or no access to the mass news media, so the impact of the testimony is limited.

But prominent Ugandans say the hearings, expected to continue into 1989, are important in restoring

Uganda's faith in the rule of law. For all its achievements and promise, however, the Museveni government is still capable of acting arbitrarily. The country's broadly drawn Public Order and Security Act has been used by the government to arrest and detain journalists, editors and human rights activists as well as political and military opponents.

Political parties are still muzzled,

and the promised discussion of a new constitution and national elections has been delayed.

The emergence of a separate judicial investigation alongside the Transport Ministry's inquiry, headed by Robert A. Farmer, the campaign's chief fund raiser.

The Dukakis' IRA accounts also reported \$1,445 in taxable interest income from two bank accounts, but no disbursements from family trusts in 1987.

The couple had \$44,610 in assorted Individual Retirement Accounts, savings and checking accounts at the Bank of Boston, as of May 24. Of that, \$18,490 was in a joint money market account, and \$6,250 in a checking account with a fixed interest rate of 5% percent. Mr. Dukakis' IRA accounts were worth \$9,455, while Mrs. Dukakis' account had a balance of \$10,414.

In addition, Mr. Dukakis has \$49,494 in his Massachusetts retirement account; \$31,910 in deposits and \$17,583 in interest.

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## BRIEFS

**es Plan to Broaden  
Images With the North**

**Korea**

**by Koh Tae Woo, in a speech to**

**the press.**

**He said that he would show his**

**friends with the North and South**

**Koreas would respond.**

**North Korea's de-**

**legates, are offer Mr. Koh did not**

**mention from the past.**

**He addressed both**

**North Korea a pariah state,**

**and encourage its allies to improve relations**

**with each other at international gatherings**

**and called for widespread exchanges**

**between**

**politicians, students,**

**and the Soviet Union,**

**suggesting**

**neighboring nations that have relations**

**with foreign policy is changing**

**over several weeks.**

**In early June,**

**he allowed public discussion of missile**

**and-level talks.**

**5 More Justices**

**to face a special tribunal that will rule**

**on battle about an earlier suspension of**

**alleged "lack of dignity," judicial panel**

**of President Abdur Hamid Omer**

**and Mr. Mahairan had recommended**

**charges against the suspended**

**deputy, to refrain from advising higher**

**constitutional changes.**

**Arms Pact Proposal**

**General Manfred Wörner of NATO**

**said certain the Western alliance was**

**of this year on a treaty with the**

**Soviet Union.**

**Important proposals," he said while**

**he has a mandate before year end**

**to hope the Warsaw Pact will renew**

**its head of the North Atlantic Te-**

**leton of Britain last week, and the**

**new picture of its policies. It is impor-**

**tant initiative," he said.**

**at in Southern Europe**

**— At least six persons have died in**

**southern Europe, and weather fore-**

**cast for later for several more days.**

**yesterday that five Yugoslavs had died**

**when their plane reached 40 degrees centigrade (104**

**°F) in heart and respiratory prob-**

**lems Tuesday from the effects of heat.**

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# INTERNATIONAL HERALD TRIBUNE

Published With The New York Times and The Washington Post

## Next End the War

### Remain in the Gulf

The attack by the Vincennes on the Iranian airliner left 290 civilians dead. What cause can justify the risk of so appealing an accident? It surely occasions a re-examination of the U.S. Navy's activities in the Gulf and the goals of American policy.

The Reagan administration has repeatedly confused the issue by saying that the navy's mission is to assure freedom of navigation. That profession of neutrality is the thinness of diplomatic fig leaves. In practice, the navy does not prevent Iraqi attacks on ships visiting Iran. America tilts toward Iraq, and for good reason.

The goal is a negotiated end to the war, with victory for neither side. That outcome is resisted by Iran, not Iraq. For the United States and others, one of the few ways to induce Iran to change its mind is to place it in vital oil resources in jeopardy. Thus America's purpose in the Gulf, fortunately, is more coherent than any of its spokesmen.

An Iranian victory, remote as it may seem at the moment, would give renewed momentum to Tehran's unsettling Islamic fundamentalism. It could allow the mullahs to dominate the Gulf and its oil. This prospect seemed imminent after Iran's ground campaigns of 1986 and 1987, in which it captured Kuwait's Faw peninsula. Iran also started to menace Kuwait, Iraq's neighbor and pivotal supporter. Had Kuwait been intimidated, Iraq would have been pushed closer to disastrous collapse.

The United States became directly involved when Kuwait sought protection for its threatened shipping. The U.S. Navy increased its forces in the Gulf to protect American-flagged Kuwaiti tankers — a service now extended to all NATO and neutral shipping. The navy's presence reassures Arab states around the Gulf. It also serves, in

effect, as a shield behind which Iraq attacks Iranian oil tankers, deterring Iran's usual response of attacking neutral shipping. Iraq's dominance at sea was a necessary advantage when it was slowly losing the ground war. Despite Iraq's recent stunning capture of the Faw peninsula, it can still lose.

The U.S. Navy is not alone. America's leadership has been quickly supported by the Gulf states and by Western countries that have dispatched their own warships. None in this broad coalition have exonerated the United States for the Airbus tragedy.

U.S. diplomacy seeks peace through the United Nations. These efforts are at an impasse: The Soviet Union and China refuse to join this obstacle. U.S. force and diplomacy have successfully restrained and isolated Iraq. Despite that strategy, or the navy's role in it. Besides, what is the alternative? For the United States, wringing its hands, to withdraw all or most of its forces from the Gulf would be a catastrophe. Iran would be relieved of the mounting pressures to stop fighting and start negotiating, and American credibility would plummet among nations that now depend on its leadership in containing Iran.

The proportionate response to the accident is first to determine the facts and then to explain to Iran and the world how it happened. Reparations, which imply guilt, will most likely be inappropriate, but compensation for the victims would probably be a just and conciliatory gesture, and a humane way to demonstrate shared grief.

A negotiated end to the Iran-Iraq war serves almost all interests save that of the hawks-mongering mullahs in Tehran. One accident, however horrifying, is no reason for changing that goal or the means which America has chosen to achieve it.

— THE NEW YORK TIMES.

able for protecting American lives. The other line was expressed by an increasingly urgent search for a "post-Khomeini" diplomatic opening to Tehran — a search that has been heavily burdened by the degradation of earlier efforts into arms-for-hostage talks but that was proceeding without known results, all the same.

The intriguing question now is whether the downing of the Iranian Airbus can somehow be made relevant to the diplomatic track. The United States has deeply angered Iran, but by immediately expressing its regret, by opening the episode to inquiry and by not ruling out compensating the victims, it is also making a series of gestures that invite a considered Iranian response.

There is a view of revolutionary Iran as governed by furies that cannot be tamed, only allowed to burn out. This view discounts the element of control and calculation that has always been present in some degree in Tehran. The human tragedy in the Gulf does not alter the larger strategic considerations that before Sunday were apparently moving Iran toward something of an announced military and political de-escalation. While being prepared for darker possibilities, the United States has to be alert to opportunities to push events that way.

— THE WASHINGTON POST.

## So Much for Meese

Satisfied that he will not be indicted, Edwin Meese has decided to resign as attorney general. Even though he has not seen the just completed report of the independent counsel who investigated him for a year, he said on Tuesday that he was certain of vindication. He thus clings to the wrong standard even as he rightly declines to cling to office until the bitter end.

Mr. Meese's tenure as America's top law officer thus is framed by two special-prosecutor reports. The first enabled the Senate in 1985 to confirm his nomination knowing that his detractors had not shown him to be a crook, even though he was subject to ethical criticism for helping personal beneficiaries get jobs. The new report, still under seal in a Washington court, again finds no criminality. How much criticism it contains is unknown, yet Mr. Meese takes its filing as the occasion for resignation.

What is right about this is that the Justice Department will no longer be headed by someone distracted by so many embarrassing ethical and political questions. Even a caretaker attorney general is likely to provide clearer leadership. What is wrong, re-

— THE NEW YORK TIMES.

## America Gets Football

America is number one in many things, often obviously so, but it doesn't seem to care that it's next to nowhere in the world's number one sport. Americans are so out of it that they say "soccer" while everyone else calls it "football." Never mind, the United States will now host the 1994 World Cup.

Soccer — er, football — began so long ago that no one knows its origin. Who first kicked a stone, or a skull, and someone kicked it back? Some say it was in China, 22 centuries ago, or in ancient Greece or Rome. It came to America with the English in the early 1600s, but it only recently approached mass popularity when a short-lived league imported Pele and other foreign stars. Their razzle-dazzle inspired thousands of kids to play the game in schools and colleges, but

— THE NEW YORK TIMES.

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# OPINION

## To Hear Moscow Talk, the United Nations Has a Future

By Flora Lewis

**P**ARIS — After the American shooting down of an Iranian airliner with 290 people aboard, the Soviets have renewed their argument for replacing the U.S. Navy with a United Nations force in the Gulf.

A UN presence might or might not have averted the terrible incident. There are still too many unknown technical details to tell whether the Vincennes had real cause to believe it was under imminent threat of aerial attack.

The tragedy necessarily reopens questions about the U.S. Navy's mission as an outside, ostensibly neutral force in a war zone. Washington's go-it-alone policy inevitably exposes the United States to heightened political and diplomatic as well as military risks.

But the United Nations simply is not in a position to protect shipping in the vital seaway. It has not been able to prevent escalation of the war, let alone force a negotiated end. That is a grave failing for what set out to be a peacekeeping system but became a tragic talk shop.

So it matters that the Soviets now say they have changed their whole approach to the United Nations. It won't repair the damage that the Gulf war is inflicting, but it could make a big difference in the future.

Deputy Foreign Minister Vladimir F. Petrovsky said in an interview the day before the incident that Moscow really wants to strengthen the United Nations' capacity for conflict prevention and crisis management. He listed, in the new style, mistakes that Moscow acknowledges in its past UN behavior.

"We were wrong," he said, "not to pay for peacekeeping operations. We are paying up."

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## OPINION

## Campaign Lies Are a Dangerous Game

By Jim Fain

**WASHINGTON** — American political folklore has spun from George Washington to Baron Munchausen. Under the Mondale Law, we've reversed the cherry-tree tradition and made only liars or idiots eligible for the presidency.

Walter Mondale did not sponsor his law; he was its first victim. If elected, he said, he would raise taxes to cure the deficit. An ungrateful electorate clobbered him, and, in this era of instant verities, Truth was Revealed as "Don't bother to apply if you're willing to let the blasphemy 'Tax' pass your lips."

Messrs. Bush and Dukakis are not that fanciful. They know that world markets will force the next president to deal with the deficit. Apparently they see the White House as an end that justifies the means. They will lie to get elected, then try to explain things as they go along.

Hey, fellows, you got off on that last turn. If you have to base your relationship with the American people on a lie, the job's not worth having.

It's the voters' fault, of course. Made cynical by chronic deception, we are pretty well convinced that taxes will rise, no matter what. We figure the best way to slow them down is to force a no-tax pledge. The result is a government of almost total fiscal irresponsibility.

The Grand Compromise between President Reagan and Congress on the 1988 budget made the point. After battling for years, the two sides called an

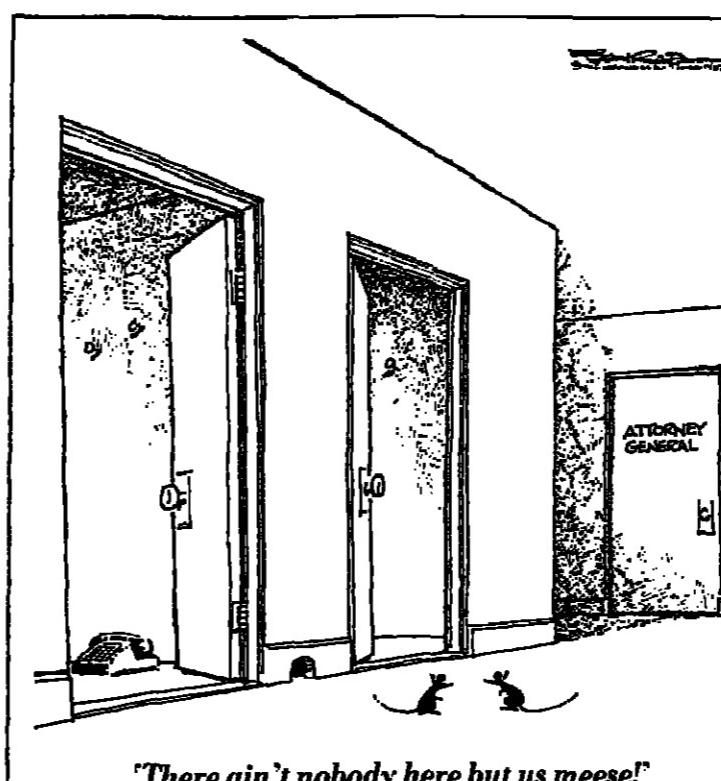
election-year truce and agreed to a budget that no one even pretends is in hand-shaking reach of reality. The original Gramm-Rudman target for fiscal 1989 was \$72 billion. By juggling numbers, the administration says it will get under the revised goal of \$136 billion.

The Congressional Budget Office says the deficit will be \$176 billion and would be \$207 billion without the surplus in Social Security taxes. Indeed, the Social Security surplus, which is supposed to be in trust for pensioners, is the only reason deficits are within sight. Without it, we'd be having \$200 billion worth of red ink every year.

Foreign central banks are not going to finance this binge much longer.

They will be looking to the next president for deficit action, meaning taxes as well as spending restraints on defense and Social Security. If they don't get some realism, you will see a free-falling dollar and a ring-ding depression beyond anything since 1933. An economic study commission will try to ease the next president's dilemma. But Mr. Bush is already discrediting that tool. He's so eager to be the next president that he's destroying any hope of being an effective one.

Cox News Service



'There ain't nobody here but us meese!'

## Responsibility for the War

*Regarding "Gulf War: A Face-Saving Formula to Bring Iran Around" (June 22) by Anthony Parsons:*

"As someone very much concerned with the Iranian scene, I applaud this excellent commentary. While I appreciate the wounds inflicted on the United States by postrevolutionary Iran, there is an urgent need for a balanced Western policy toward the region as a whole and the Gulf war. There is a clear role for Britain to play in this regard, not least in the United Nations, as Anthony Parsons indicates. Without the basic essential of some understanding of Iran's position, the war will not be brought to an end."

RICHARD GALUSTIAN, London.

I was surprised that Anthony Parsons, a talented former diplomat who must know very well the deceptive and treacherous nature of the Iranian regime, could write such a commentary. Its aim seems to be to conceal reality and confuse the nature of the two parties to the war.

Iraq is confident that it can prove Iran responsible for starting and continuing the war, and it would welcome the formation of an impartial body to investigate this matter. The solution that the writer advises to end the impasse suggests that he wishes to employ methods aimed solely at obtaining a reconciliation between Iraq and the United Nations.

The writer puts the tanker war, the alleged use of chemical weapons and the bombardment of cities in the wrong sequence. Iran began the war by shelling

Iraqi cities on Sept. 4, 1980. That was followed by attacks on ships navigating the Gulf to and from Iraq. During the same period Iran closed the Shatt al-Arab waterway and impeded Iraq's maritime passage in the Gulf.

Iraq accepted Resolution 598 as a sign of its commitment to its international responsibilities. Anthony Parsons was Britain's representative on the Security Council for several years. This should enable him to be well aware of the reality of Iran's intentions and its delaying tactics in refusing to accept the resolution.

MOHAMMED SADIQ AL-MASHAT, Ambassador of Iraq, London.

## A New Generation in Iran

Propaganda statements about Iran, such as those written by Arash Parsi (*Letters, June 7*), serve no real purpose. Partisanship for physically dead politicians such as Mohammed Mossadegh or politically dead ones such as Shahpur Bakhtiar only bore readers. The future belongs to neither; it belongs to a new generation of young leaders. It is high time for freedom-loving Iranians to correct the mistakes of the past nine years by no longer engaging in futile rhetoric.

MAHMOUD MARASHI, London.

## It Wasn't Gloating

I would have dismissed E. L. Zuntz's screed ("Gloating Is Out Of Order," *Letters, June 16*) as just another twilight apology for communism had not the

writer publicly accused me of "gloating" over hunger and poverty in Vietnam. Gloating? It takes willful obtuseness not to see that in my letter I was decrying hunger and poverty, not gloating over it. I served for two years, and 50,000 of my countrymen gave their lives, in a vain effort to prevent the plague of impoverishment and misery that communism drags ineluctably in its wake. Only communism could have turned the rice bowl of Southeast Asia into a vast abattoir.

If the hellish history of the 20th century has taught us anything, it is that the only thing communists can safely be said to produce in abundance is corpses. Whether these are caused by Communist bullets or Communists-created starvation is irrelevant, especially to the corpses.

RICHARD J. DOUGLAS, Bilbao, Spain.

## A Tragic but True Story

*In response to "Not the Way Parents Should Grow Old" (Opinion, June 30):*

The sad story told by Carolyn Kazdin is, I'm afraid, quite plausible. In today's America nearly 40 million people have no health insurance. As the writer says, her family could be spending \$45,000 a year for the next 20 years. And she adds that "it's money we don't have."

L. E. ALLWOOD, Le Chateau d'Oleron, France.

## Central America Matters

It is wishful thinking by The Washington Post ("Central America Hurts," June 21) to imagine that the United States could default in Central America and survive. Communication of that important region, which is a top priority on the Kremlin agenda, would be the death of the United States as a world power.

RALF THIJLEN, Tenha, Finland.

Congress recently voted partial payments for the aged in specific and limi-

ted categories. Much needs to be accomplished to aid the poor in their later years and those particularly in declining health. European health systems genuinely offer superior quality health care to the aged and the poor. At the moment, the United States is obviously unprepared to offer anything comparable.

Experts hold out little hope for improvement in tragedies of the sort recounted by Carolyn Kazdin.

HERBERT JOHNSON, Paris.

## A Famous Flag Still Flies

The famous American flag that flew above the Eiffel Tower on Aug. 25, 1944, the day Paris was liberated, flew again this year as symbolic guest-of-honor at Fourth of July ceremonies in, of all places, St. Tropez. The flag was given to Larry Collins — co-author with Dominique Lapierre of "Is Paris Burning?" — by the French Resistance fighter who hauled it down to make way for the French tricolor. Mr. Collins and myself (I am a historical writer who lives in St. Tropez) are American members of the town's France-U.S. committee.

MORTON PUNER, St. Tropez, France.

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

## Psychobabbling Pays Well But It's Mostly Just Noise

By Jonathan Yardley

**WASHINGTON** — It was reported last week that "professional clinicians do not in fact make more accurate clinical judgments than lay persons" about the insanity or propensity to violence of criminal suspects.

To put it another way: A court is as likely to get an intelligent surmise about human behavior from an insurance sales-

## MEANWHILE

man or a truck driver as from a psychiatrist or a psychologist. More likely, perhaps, since the former may well have broader knowledge of actual, real-world human behavior than the latter.

Psychobabble is everywhere: the mood of the holidays' report, can turn with confidence to a psychologist at any local hospital or university for instant expertise. Emitting great bursts of flatulent psychobabble, this eminence will pronounce: "In times of communal celebration and ritual, our unconscious memory recalls the gratifications of childhood, and we seek to recapture them through duplicative behavior that reinforces our sense of self and our membership in the larger tribe." Or: At Christmas we want presents.

Psychobabble is everywhere: the noise of the age. Television newscasts would have to shut down were they to be deprived of their five-second spots of instant, in-depth analysis.

Even in literature, where one might think that people would know better, psychology holds sway. Biographers, few if any of whom are licensed to form psychiatric judgments, routinely bring the amateur talents to bear on the minds and psyches of their subjects; some put common sense to use and interpret the lives and deaths of their subjects, while others rush in where Freud himself probably would have feared to tread.

In fiction the psychiatrist is an increasingly familiar presence, pronouncing judgments about characters' lives and motives that authors are too lazy or uninvolved to reach through the more difficult means of characterization and story.

From the television talk shows to the best-seller lists, vendors of facile counsel about matters psychological are as plentiful as the flowers that bloom in the spring. Their advice is approximately as reliable as that to be found in the astrological tables or a box of fortune cookies, but others rush in where Freud himself probably would have feared to tread.

Thus it is that in the courts the testimony of psychologists and psychiatrists — testimony fundamentally speculatively based — is employed as routinely as that of police officers and private eyes, often at exorbitant fees. This testimony can take whatever direction a psychologist and his employer of the moment wish.

It is a transparently cynical business, one that does a good deal more for the wallets of the psychologists than for defendants and plaintiffs or for the orderly, equitable application of the law. Yet we cling resolutely to it, out of the persistent belief that somehow the heirs of Doktor Freud have been granted exclusive access to the most mysterious recesses of the human mind and psyche.

Is there anything in which the age has greater faith than the divine powers of anyone who has spent a few years in one school or another and emerged with a piece of paper declaring him or her qualified to dissect human souls?

*The Washington Post*

## GENERAL NEWS

## In the South Pacific, a New Space Race

By Michael Richardson

*International Herald Tribune*

**SINGAPORE** — U.S.-Soviet rivalry over the military use of outer space has turned remote parts of the Pacific Ocean into an area of critical strategic importance, Western space defense experts say.

Both nations, these sources say, are vying for influence and geographic position in the South Pacific to secure their own space launch capabilities, to monitor each other's space activities, and, in the case of the United States, to be able to destroy Soviet satellites during a crisis.

The South Pacific region lies directly opposite the main Soviet satellite launch sites on the other side of the world.

Soviet satellites have been found to be vulnerable to interception at three "gateways" into space above this area, according to the experts.

The United States, the sources said, has nearly completed building a chain of radar stations on islands north of the gateways to track Soviet satellites as they are launched.

For its part, the Soviet Union has since 1986 negotiated two fishing agreements with South Pacific island nations, expanded its diplomatic presence in the area and offered favorable trade arrangements to several countries. Moscow says it is seeking peaceful cooperation.

But U.S. security officials say that the long-term goal is to weaken dominant Western influence in the region. They have reported an increased deployment of advanced Soviet space monitoring and intelligence gathering vessels to the South Pacific in recent years.

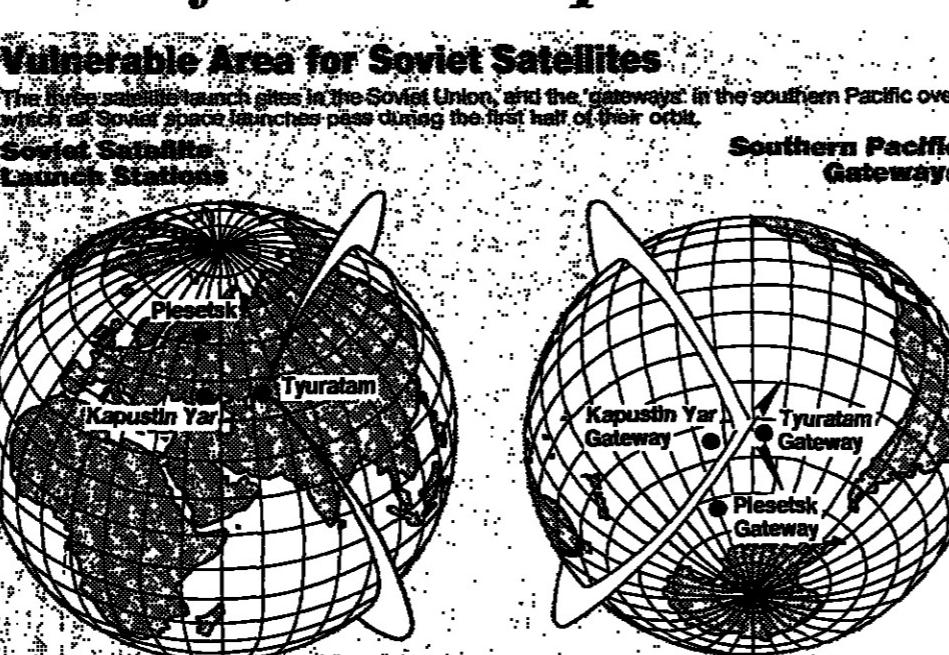
Western officials say the Soviet Union is seeking to establish a ground station in the South Pacific to maintain better control of its satellites and track those of the United States and other countries.

Senior Australian and U.S. officials meeting in Washington said in a communiqué last week that the Soviet Union was continuing to improve its military capabilities for use in the Pacific.

In a telephone interview, Aduu Karemee, a satellite specialist in the space systems division of General Dynamics Corp., said that the U.S. Navy, by deploying anti-satellite weapons at the three gateway locations in the southern Pacific, could intercept and destroy Soviet satellites before they started operations.

Mr. Karemee said that to protect Western sea, land and air forces it was necessary to control parts of the globe directly opposite the main Soviet satellite launch sites.

He explained that the importance of the South Pacific for control of space was one of the reasons why the Soviet Union had in recent



the opposite side of the globe after completing the first half of its initial orbit.

After the half-orbit, the effects of Earth's rotation, and maneuvering by ground controllers, will move the satellite to a different position.

Senior U.S. defense officials assert that, despite denials by Moscow, the Soviet Union has developed a capability to attack U.S. satellites in space.

The officials have warned that operational effectiveness of U.S. and allied Western forces, both nuclear and conventional, is heavily dependent on maintenance of a reliable satellite system.

Both the Soviet Union and the United States, Mr. Karemee said, realized that "the nation that controls space will ultimately see and hear almost everything that transpires around the world."

The network could become the basis of an anti-satellite weapons system if the U.S. Congress lifts a three-year ban on testing such weapons in space, analysts said.

The Reagan administration has urged Congress to lift the ban, arguing that it prevents the United States from matching an operational anti-satellite system developed by the Soviet Union.

In the meantime, the U.S. radar-tracking facilities in the Pacific play an important role in identifying Soviet satellites after they are launched, according to Desmond J. Ball, head of the Strategic and Defense Studies Center in Canberra.

He said that existence of the space gateways was not widely known outside a small circle of people who worked on space defense matters.

He added, the importance of the South Pacific for control of space was one of the reasons why the Soviet Union had in recent

years sought to penetrate the region and why the United States was determined to maintain a substantial presence there.

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Just a reminder of what you could be doing right now.



When you make a great beer, you don't have to make a great fuss.

## Long Shadow of M'Bow Lingers Over UNESCO

By Youssef M. Ibrahim  
*New York Times Service*

**PARIS** — The X-ray machines at the doors are gone, and the tense atmosphere that reigned at UNESCO's headquarters at Place de Fontenoy has visibly relaxed.

It is possible now for employees to be seen talking to American diplomats without fear of censure or ostracism.

But the decade-old controversies that prompted the United States, Britain and Singapore to leave the United Nations Educational, Scientific and Cultural Organization — and pitted Western countries against Third World countries in this and other UN organizations — are far from over.

Western diplomats say the shadow of Amadou Mahat M'Bow, the organization's former director, who was accused of politicizing UNESCO and leading an anti-Western campaign continues to hover eight months after he was replaced by Federico Mayor Zaragoza of Spain.

The United States has described UNESCO as a forum for anti-Western leftist attitudes such as global restrictions on press freedom and a haven of political patronage, waste and mismanagement.

Third-World diplomats say that condescending views held by the



Federico Mayor Zaragoza

"comes to an end and UNESCO finds a sense of direction."

"It would be going much too far to say that UNESCO has an efficient and effective program," said Richard T. Miller, the U.S. observer.

He asserted that it was too early to talk about ending the four-year boycott of the organization and the suspension of American financial contributions, which accounted for 25 percent of the organization's budget.

Britain, the other leading Western country that withdrew in 1983 from UNESCO in protest against Mr. M'Bow, is also said by senior officials to be a long way from returning.

Beyond the political schism that divides UNESCO, all members seem to share a concern that the organization badly needs a managerial overhaul.

Critics assert that Mr. Mayor, 53, a Spanish biochemist and intellectual who took over in November as director general, has been too timid in his approach to administrative changes.

A spokesman for Mr. Mayor, Leon Davicchio, director of UNESCO's office of public information, said he was moving as fast as possible to put changes into effect, adding that "13 years leaves deep im-

prints." Mr. M'Bow held the office for 13 years.

The job of the director general demands a certain political experience," said Aziz al-Haaj, Iraq's representative. "Mr. Mayor must realize that what happened is a change of authority from someone who turned UNESCO into a personal fiefdom to a new man who has obligations to clean it up from parasites. In that sense, Mayor has not completely taken charge yet and I hope he will do it."

But what everyone agrees on is that the discord that reigns here centers on the role of UNESCO.

The West would like it to limit itself to simply defined cultural and technical projects, such as the successful rescue of the mammoth Egyptian Pharaonic monument of Abu Simbel 20 years ago, when it was threatened by the rising Nile.

The Third World sees it as a full-fledged forum for debating the big issues of the times. "This is an intellectual organization," said India's representative, Arundhati Ghose.

"UNESCO must make its own contribution to issues like apartheid, racism, media and education," she said. "You cannot say apartheid is a purely political issue and therefore what is happening to young people in South Africa is no longer our business."

## ASIAN TOPICS

### Afghan War's Sequel: Millions of Mines

Although Soviet forces are withdrawing from Afghanistan, millions of land mines sown throughout the country are expected to kill and maim thousands of men, women and children in the months and years to come, the Los Angeles Times reports.

U.S. military analysts have estimated that there are now between three million and five million land mines of various types scattered throughout Afghanistan. Many are old, planted by Soviet troops to defend their perimeters. But many have been recently planted, aimed at slowing guerrilla efforts to retake territory abandoned by government or Soviet forces.

"People are going to be blown up for the next 20 years," one diplomat said. "The civilians are going to take the brunt of it. The effect is going to be disastrous on the refugees when they return."

Leslie Johnston, who runs a clinic in Peshawar, Pakistan, that furnishes artificial limbs for wounded Afghans, said, "The best guess we have at the moment is that there will be something like 10,000 more mine victims. Whatever the time frame for that will be is anybody's guess."

### Around Asia

Huang Ngor, the Cambodian doctor who won an Academy Award in the film, "The Killing Fields," says he hopes to set up a hospital for refugees at the Thai-Cambodian border. Dr. Ngor said he already has the funding and the medical staff, but needs approval from both the Thai government and from Cambodian resistance leaders. Now a U.S. citizen, he said that once Cambodia was free, he would go back to help rebuild the country. But he said he would not stay, because of "too many painful memories," including the deaths of several members of his family under the Khmer Rouge regime.

### ■ ASEAN's Agenda

The future of Cambodia, Indochinese refugees and trade problems are likely to dominate three days of talks beginning Thursday between ASEAN foreign ministers and "dialogue partners" from industrialized countries, The Associated Press reported from Bangkok.

The role of the Khmer Rouge in Cambodia, mostly sidestepped in earlier talks by the ASEAN ministers, may become the focus of attention in coming days since the United States, Australia and others represented in Bangkok have emphasized they would find the return to power of the Khmer Rouge totally unacceptable.

Attending the dialogue with ASEAN will be foreign ministers or other senior officials from Australia, Canada, the European Community, Japan, New Zealand and the United States.

### ■ Possible UN Appeal

The United Nations may be asked to help form an international peacekeeping contingent to underpin a future settlement in Cambodia. Foreign Minister Siddhi Saversila of Thailand was quoted Wednesday as saying, Reuters reported.

He was quoted Wednesday by the Nation newspaper, which is published in Bangkok, as saying some countries had volunteered to send peacekeeping troops to Cambodia. He did not identify them.

Foreign Minister Sosuke Uno of Japan, scheduled to arrive later on Wednesday, was expected to discuss possible Japanese funding for such a force with ASEAN foreign ministers, diplomats said.

### Kenya Releases 3 Journalists

*The Associated Press*

NAIROBI — Kenyan police freed three West German television journalists Wednesday, a colleague said. They were detained for two days after a tribal chief objected to their filming a traditional burial rite.

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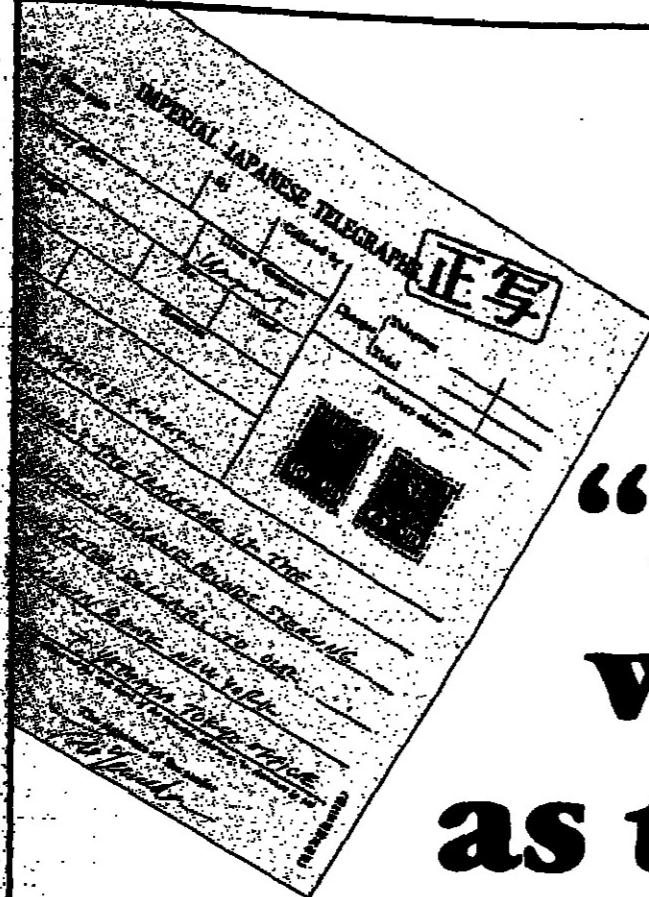
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70 YEARS OF DEDICATION  
70th

# "Honourable Banker, would you be so kind as to buy this telegram?"



## Or, How the Time Difference Helped Nikko Securities Launch a \$200 Billion Business.

**I**t happened one morning in Tokyo in 1921. Gen-ichi Tohyama, owner of a tiny, 3-year-old securities brokerage house, was given the chance of a lifetime.

Just as prices of foreign bonds in Japan were sagging, and investors rushed to sell their holdings, Tohyama found a buyer.

And a very, very big one, at that.

But he also had one very big problem.

At a time when it was customary to settle all bonds transactions in cash, and within the same business day, this client could only pay for the bonds through its New York office.

What was to be done?

Tohyama, of course, had no means of his own to finance a deal this big.

But a remittance from America would take three days. Even the fastest telegrams took four hours to get there. And with New York fourteen hours behind, the client's funds would never arrive in Japan in time to buy the bonds from those anxious to sell that day.

The other securities houses withdrew. The time difference seemed an insurmountable barrier.

But was it? To Tohyama, it suddenly seemed the key to the whole dilemma.

For as long as New York was fourteen hours behind, the deal could be completed that day—in New York!

By 2:00 p.m., Tohyama had convinced his buyer to send a telegram to its New York office to authorize a transfer of funds worth a hundred thousand pounds sterling to the Yokohama Specie Bank (Japan's only foreign exchange bank) in New York.

By 2:30, he had taken a copy of the telegram to the bank's headquarters in Tokyo.

And with that flimsy, unfamiliar piece of paper (literally, an "Imperial Government Forwarded Message") as collateral, he ventured to make an unheard-of request.

"Honourable banker, would you be so kind as to buy this telegram?"

The rest is history.

Within the hour, Tohyama had obtained the funds to purchase a hundred thousand pounds worth of foreign bonds for his buyer.

He had also opened up whole new possibilities in overseas transactions.

And sent business soaring for his little securities house.



This is Nikko Securities' very first success story.

Today, as we commemorate our 70th anniversary, we have over \$200 billion in assets in custody.

Our worldwide organization is 14,500 people strong.

But we still cherish the global vision and the ingenuity that prompted Tohyama to make that first, unorthodox request.

We still believe creative thinking is the best way to respond to changing customer needs.

And the only way we can continue to grow for the next 70 years, and beyond.

# NIKKO

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The Nikko International Network / ZURICH GENEVA FRANKFURT LUXEMBOURG PARIS COPENHAGEN MILAN MADRID AMSTERDAM BAHRAIN SAN FRANCISCO LOS ANGELES  
CHICAGO TORONTO HONG KONG SINGAPORE SYDNEY MELBOURNE SEOUL BEIJING QINGDAO SHANGHAI

## SCIENCE

## Apt. for 8 W/ View Of World

By Michael deCourcy Hinds

*Washington Post Service*

HUNTSVILLE, Alabama — The home for space-station astronauts that is being built here at the Marshall Space Flight Center might irk Captain James T. Kirk, commander of the starship Enterprise in "Star Trek."

If the television hero from the 23rd century beamed himself from the Enterprise, which is as spacious and comfortable as a Miami Beach condo, into the astronauts' quarters of the space station in 1996, he would be nauseated by the weightlessness of space, as most astronauts He wouldn't be able to march around, either. Instead, he would alternately float freely or swing from bar to bar inside the crew quarters, which are no bigger than a music room.

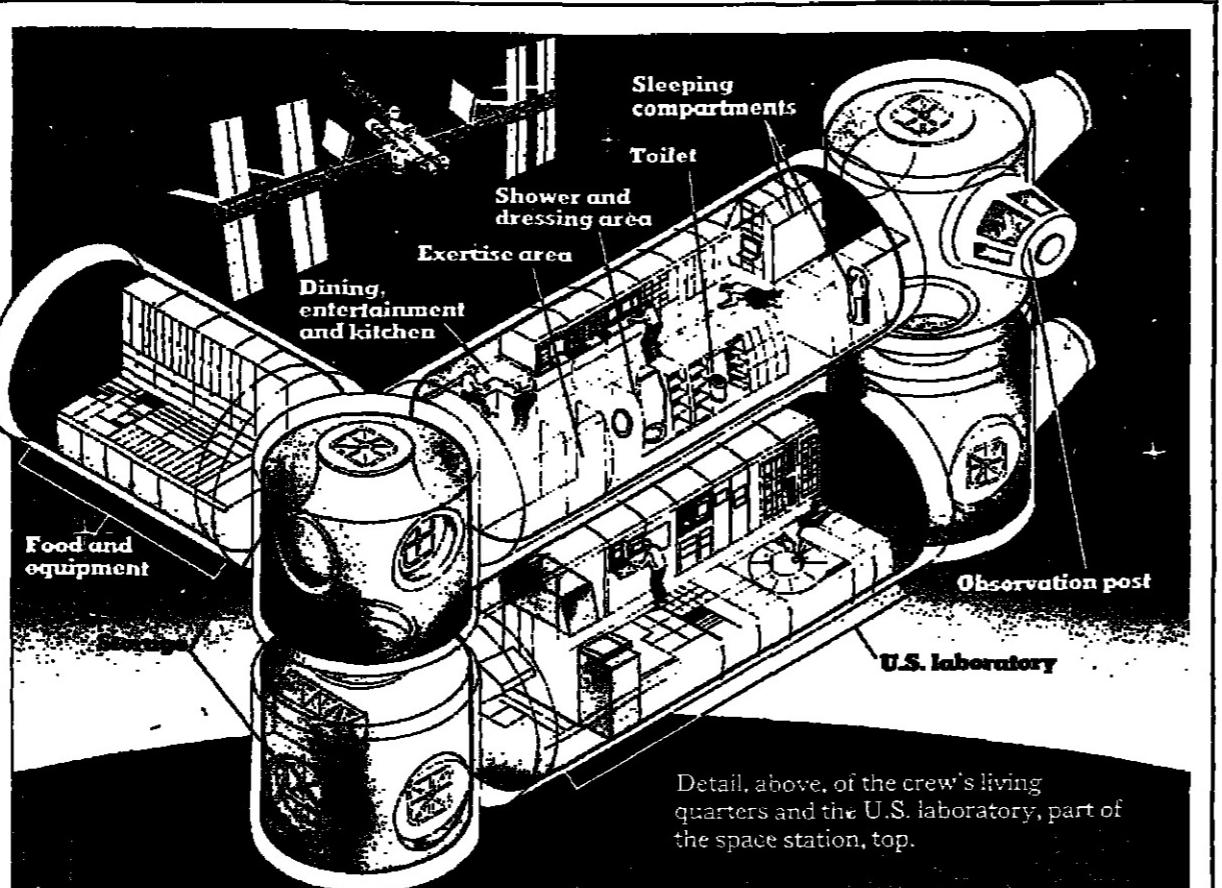
Captain Kirk might ask his science officer, Mr. Spock, for a quick beam back to the Enterprise. But astronauts who lived 15 years ago in Skylab, the world's first space station, are impressed with the Marshall Center's full-scale mock-up of the living quarters. "I feel good when I go in the habitation module," said Gerald P. Carr, who commanded the 84-day Skylab 3 mission and now works as a consultant to the National Aeronautics and Space Administration.

The mock-up represents the efforts of hundreds of technicians, environmental psychologists, architects, engineers and spacecraft designers from NASA and the Boeing Co., which has the contract to build the habitation module. They are trying to design a place for eight men and women to work, sleep, eat, exercise, relax and enjoy themselves in the hostile environment of space. The shape, layout and color of the area must not only overcome size limitations, but also elevate the astronauts' moods and promote their productivity during their tours of three to six months.

The space station program has been controversial ever since President Ronald Reagan announced it in 1984. Budget committees in Congress are weighing the costs: \$14.5 billion and climbing — against the advantages of having a research laboratory with humans aboard, orbiting at 17,000 miles (27,000 kilometers) a hour 220 nautical miles above the earth's surface for about 30 years.

The United States, the European Space Agency and Japan are each providing a laboratory module on the space station, and Canada is helping design a crane to assemble the station in space.

But no matter what happens to the space station program, NASA scientists say they have already made contributions to inter-



Detail, above, of the crew's living quarters and the U.S. laboratory, part of the space station, top.

or design on earth. "We're trying to blend science, art and engineering to advise spacecraft designers on creative environments for humans in space, but I've always thought the spinoff for terrestrial environments is the much wider use for our work," said Dr. Yvonne Clearwater, an environmental psychologist at the NASA Ames Research Center in California.

The habitation module — crew quarters — will include about a fifth of the space station's pressurized area. Modules for the three laboratories and the living quarters will be connected by cylindrical nodes, which provide observation windows, control stations and storage. A "logistics" module serves as a kitchen pantry and equipment storeroom; every 45 days a space shuttle will replace it with a fully stocked module and carry garbage and completed experiments back to Earth.

The space station will stretch over an area 208 feet wide (63 meters) and 308 feet long (154 meters).

Individual components will be built on Earth and carried aloft by space shuttles on 19 missions over a three-year period starting in 1995. Astronauts will assemble the station at Marshall.

The dimensions of the module — 43 feet long and 14.5 feet in diameter — are dictated by the payload bay of a space shuttle. A corridor 7 feet wide and 7 feet high cuts through the center of the cylindrical module, leaving rounded slices of space about 3 feet deep along all four sides of the corridor. Eight sleeping compartments are clustered at one end; the kitchen, dining room and exercise

area are at the other end, and in the middle are a shower, dressing area, toilet, medical testing equipment and central command center for the space station.

Very little is familiar in this home in space. The kitchen does not have a sink, counter or range, and there is only one drawer for utensils. Built into a box 8 feet wide and 7 feet high are two microwave-convection ovens, push-button water spouts, a computer terminal for food inventories, a dishwasher and storage cabinets for 14 days of "airplane food," as a NASA official described it.

Astronauts will float with their food trays to a nearby table and slip their feet into stirrups on the floor to keep stationary while they eat. At the table they might watch a wall-mounted television, gaze at the earth through two 20-inch portholes or use the pop-up computer terminal at each place. An astronaut could check the laundry spinning underneath; the clothes washer is built into the floor.

The semi-oval table is designed to promote good "psychosocial group dynamics," said Joseph P. Hale, a specialist in human engineering at Marshall.

Because they are weightless, astronauts do not need furniture. As they relax they assume a "neutral body posture" similar to that of a person floating in water. To save space each will sleep vertically in a sleeping bag hung on the wall of his or her 42-by-46-inch cubicule, a marvel of efficient planning containing storage, audio and video systems and a computer work station.

The soundproof walls between compart-

ments are like Dutch doors that can be partly or fully opened to communicate with neighbors or spouses; several astronaut couples are training for space station assignments.

The mock-up at Marshall has a white ceiling, off-white walls and a brown floor. The final colors have not been chosen, but scientists say a dark floor and light ceiling — giving cues for ground and sky — help orient astronauts and relieve nausea. Fluorescent tubes providing light in the full color spectrum will flatter skin tones. "If you don't look great, you won't feel great" Mr. Hale said.

The astronauts will select fabrics for cloth partitions, wall coverings and sleeping bags.

There are two bathrooms. Traffic jams will be reduced by scheduling; the crew works in two 12-hour shifts. The shower looks like a shower, but the hand-held wand provides both water and a vacuum to remove it. Fans and vacuum devices also help eliminate waste from the toilet and from a plastic bubble where hands are washed. Astronauts shave in the shower and swallow their toothpaste.

Some time in the next few years, depending on federal financing and mission scheduling, Marshall and Boeing program managers say they will "freeze technology" and draw up a preliminary plan for the habitation module. After a NASA review, Boeing will draw up the final plan and build a testing model. Only then will Boeing build the habitation module that will be sent into space.

## Soviet Mission to Mars

By John Noble Wilford

*New York Times Service*

THE Soviet Union, bidding for leadership in Mars exploration, plans to launch a pair of spacecraft this week and next on seven-month journeys to orbit the planet and dispatch landing vehicles to Phobos, a tiny gray moon believed to be an asteroid trapped by Martian gravity.

The two unmanned space probes will be the first spacecraft to travel to Mars in 15 years.

The first is scheduled to be launched Thursday and is to be followed by an almost identical craft Wednesday. The craft are expected to attempt the first landing of scientific instruments on Phobos in April.

The potato-shaped moon would then become the fourth extraterrestrial body (after Earth's Moon, Venus and Mars) on which spacecraft have touched down. American Vikings landed on the planet in 1976. The last two Soviet expeditions to Mars, in 1974, were considered a failure.

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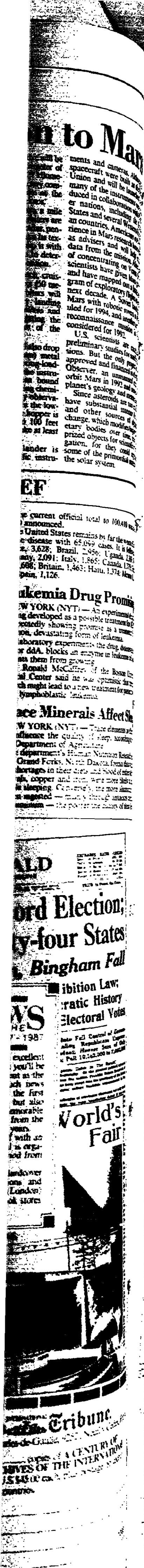
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FROM THERMAL POWER

THURSDAY, JULY 7, 1988

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INTERNATIONAL Herald Tribune

## BUSINESS/FINANCE

TO POWER APPLIANCES

In Touch with Tomorrow  
TOSHIBA

Page 9

## WALL STREET WATCH

## Bargains, Takeovers Seen For Cheap Biotech Stocks

By ANDREW POLLACK  
*New York Times Special*

**S**AN FRANCISCO — Biotechnology stocks, once a glamorous investment, are in the doldrums. The result, analysts said, could be increased takeover activity within the industry and bargain-hunting opportunities for patient investors.

In contrast to some other issues, biotechnology stocks have not recovered from the October market collapse. The index of 64 biotech stocks compiled by Biotech Investor, a New York investment advisory newsletter, fell 3.2 percent from the end of October through May 20.

By comparison, the Standard and Poor's 500-stock index rose half a percent in the period and the NASDAQ composite index of over-the-counter stocks rose 13.2 percent.

"Companies with earnings have done well, but development-stage companies are rocking along the bottom," said James McCamant, editor of the Medical Technology Stock Letter in Berkeley, California. He noted that institutional ownership of many biotechnology companies had dropped since the market collapse.

A plunge in the stock price of a leading biotechnology company, Genentech Inc., has also thrown "a wet blanket over the whole group," said Jeffrey W. Casdin, the publisher of Biotech Investor. Genentech's stock, which reached a high of \$47.50 earlier this year, closed Tuesday at \$27.125.

Unlike the other genetic engineering companies, Genentech already has products on the market, including tissue plasminogen activator, the new blood clot dissolver that is expected to have the highest first-year sales of any drug in history. Still, analysts have been peeling back their estimates of the sales because of unclear data from studies on the drug and the likely resistance among some health care providers to its high price of \$2,300 a dose.

The depressed market is also likely to make it harder for young companies to get the capital they need to continue product development. Low stock prices and the inability to raise money on the market could in turn bring about a flurry of mergers and equity investments in small companies by large ones. Stuart Weisbrod, a biotechnology analyst at Prudential-Bache Securities, says Biogen NV, Cetus Corp. and Centocor Inc. would be the most likely takeover targets.

**M**EANWHILE, analysts said there are some buying opportunities for investors who are patient. Mr. McCamant of the Medical Technology Stock Letter said some stocks are now "ridiculously cheap." Synergen Inc. closed Tuesday at \$6.75 a share, half the price that Eli Lilly & Co. paid for a stake two years ago. California Biotechnology Inc. is selling for close to its book value.

Mr. McCamant also liked Xoma Corp., expected to seek approval within the year to market two products. Its stock closed Tuesday at \$12.75, compared with a 52-week high of \$25.

Mr. Weisbrod of Prudential-Bache is recommending no stocks for short-term gains, but a few for the long term. One is Centocor, which is considered the leader in a branch of biotechnology known as monoclonal antibodies. Another is Applied Biosystems, which sells equipment for use by biotechnology companies. Goldman, Sachs & Co. also has recommended Applied Biosystems.

Mr. Casdin of Biotech Investor finds Genentech attractive at its lower price. He also likes Amgen Inc., which is expected to be the next genetic engineering company to market its products. The company, based in Thousand Oaks, California, has applied for government approval to sell erythropoietin, a substance that will be used to treat anemia in kidney dialysis patients.

## Currency Rates

Cross Rates									
	S	E	D.M.	F.F.	P.L.	Gdr.	B.F.	S.F.	Yen
Amsterdam	2,883	3,575	1,246	8,225	1,179	5,330	2,000	2,000	1,245
Buenos Aires	3,025	3,625	1,250	8,237	1,180	5,337	2,000	2,000	1,257
Cairo	1,923	2,321	8,237	1,180	1,087	4,778	1,207	1,245	1,245
London (G)	1,725	2,125	8,235	2,213	1,075	4,756	1,205	2,000	1,245
Milan	1,282,75	1,70	741,75	22,27	581,46	35,07	871,43	16,117	1,245
New York (C)	1,775	2,175	8,235	1,173	1,075	4,756	1,205	2,000	1,245
Paris	1,215	1,715	7,215	2,213	581,46	35,07	871,43	16,117	1,245
Tokyo	1,218	1,725	7,215	2,213	581,46	35,07	871,43	16,117	1,245
Zurich	1,514	2,095	8,237	0,248	1,172	1,271	1,245	1,245	1,245
1 ECU	1,146	1,454	2,276	8,235	1,179	1,245	1,245	1,245	1,245
1 SDR	1,216	1,545	2,282	8,235	1,179	1,245	1,245	1,245	1,245

Closings in London, Tokyo and Zurich. Ratings in other centers, New York closing rates.  
a: Commercial francs b: far the won c: To buy one dollar: \*\* Units of 1000 M.G.L. not quoted; N.A. not available.

## Other Dollar Values

Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
Avg. market	1,255	FIM, mark	4,247	Afgh. peso	220,000	S. Afr. rand	2,334	ECU	1,245
Austral. \$	1,2653	Greek drac.	145,00	N. Zealand \$	1,4007	Soviet ruble	6,2500	SDR	1,245
Aust. schs.	12,80	Hong Kng. \$	1,173	Swiss franc	1,2125	Taiwan \$	121,20	Yen	1,245
Bol. Rls. R.	26,20	Iceland króna	1,173	Portuguese escudo	21,01	Taiwan \$	26,25		
Bulgarian lev	18,11	Irish £	1,1726	South African rand	1,2711	Taiwan \$	25,25		
Canadian \$	1,204	Italian lira	1,1725	Swiss franc	1,2125	Taiwan \$	1,245		
Chinese yuan	1,7221	Japanese yen	1,1725	Swiss franc	1,2125	Taiwan \$	1,245		
Denish krone	6,712	Korean won	1,1725	Swiss franc	1,2125	Taiwan \$	1,245		
Dutch florin	0,2622	Lithuanian litas	1,1725	Swiss franc	1,2125	Taiwan \$	1,245		
Egypt. pound	2,3111	Malays. ringgit	2,2023	Swiss franc	1,2125	Taiwan \$	1,245		

New York rates unless marked \* local rate.

## Forward Rates

30-day 60-day 90-day 120-day 180-day

Par. Sterling 1,2175 1,2304 1,2345 1,2375 1,2405

Deutsche Mark 1,2172 1,2208 1,2245 1,2272 1,2305

French franc 1,5175 1,5215 1,5255 1,5295 1,5335

Italian lira 1,1725 1,1725 1,1725 1,1725 1,1725

Swiss franc 1,2125 1,2125 1,2125 1,2125 1,2125

Yen 1,245 1,245 1,245 1,245 1,245

Sources: Institutes Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAFI (Istan. rial. dinar. dirham); Gobekit (Istanbul). Other data from Reuters and AP.

## Interest Rates

## Eurocurrency Deposits

July 6

Dollar D-Mark Swiss franc French Franc Yen ECU SDR

1 month 7.19-7.21 4.95-5.05 7.04-7.16 3.94-4.16 4.64-4.84 6.11

2 months 7.19-7.21 4.95-5.05 7.04-7.16 3.94-4.16 4.64-4.84 6.11

3 months 7.19-7.21 4.95-5.05 7.04-7.16 3.94-4.16 4.64-4.84 6.11

4 months 7.19-7.21 4.95-5.05 7.04-7.16 3.94-4.16 4.64-4.84 6.11

1 year 7.19-7.21 4.95-5.05 7.04-7.16 3.94-4.16 4.64-4.84 6.11

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).

Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

## Key Money Rates July 6

Close Prev.

Discount rate 4.89 4.88

Prime rate 9.00 9.00

Money market 7.915 7.915

Commercial paper 7.915 7.915

Corporate bonds 7.915 7.915

3-month Treasury bills 6.65 6.65

4-month Treasury bills 6.65 6.65

5-month CD's 7.25 7.25

3-month CDs 7.50 7.50

Sources: Reuters.

Interest rates

July 6

Asian Dollar Deposits

July 6

1 month 7.4% 7.5%

2 months 7.4% 7.5%

3 months 7.4% 7.5%

4 months 7.4% 7.5%

Source: Reuters.

U.S. Money Market Funds

July 6

30-day average yield: 6.69

Telereate Interest Rate Index: 7.454

Source: Merrill Lynch, Telereate.

Gold

July 6

Home Kng. 40.25 40.10 +0.50

Luxembourg 40.25 40.10 +0.50

Paris (125 M) 43.17 43.05 -0.95

Zurich 40.25 40.10 +0.50

New York 40.10 40.20 +0.50

London 40.25 40.10 +0.50

Switzerland 40.25 40.10 +0.50

Japan

Irving Ac  
By Alison Leigh Cow  
New York Times Service  
The Irving Bank Corp. have  
accepted an improved takeover  
offer from a friendly suitor.  
Commercial Italian grounds  
that it is superior in  
position to a counterproposal  
from the Bank of New York Co.

In an earlier round of bidders  
a share each for roughly  
50% of Irving's stock  
holders would receive \$10-a-share s

dividend.

New Bank Commercial h  
under certain conditions  
its bid with seven  
warrants that would entitle  
holders to buy a new issue  
share for \$6.50 at any time  
the next seven years. Irving  
holders would receive one w  
every four Irving shares

now own.

Irving said Tuesday that the  
offer increases significantly the  
value of the package. While the  
board has disputed through  
the directors said the new offe

the Mifan bank was worth no  
less than \$79.50 a share.

The price would value the c  
company at about \$1.47 billion  
based on 18.5 million shares iss  
standing Irving last month n  
of \$1.18 billion bid by Bar

New York.

Irving stock, which closed

Tuesday at \$71.375.

Irving closed Tuesday at \$71.375.

## BUSINESS ROUNDUP

**Irving Accepts Sweetened BCI Bid**By Alison Leigh Cowan  
*New York Times Service*

**NEW YORK** — The directors of the Irving Bank Corp. have agreed to accept an improved takeover offer from a friendly suitor, Banca Commerciale Italiana, on the grounds that it is superior to their opinion to a counterproposal from the Bank of New York Co.

In an earlier round of bidding, Banca Commerciale offered to pay \$80 a share cash for roughly 51 percent of Irving's stock, while holders of the other 49 percent would receive a \$10-a-share special dividend.

Now Banca Commerciale has offered under certain conditions to sweeten its bid with seven-year warrants that would entitle shareholders to buy a newly issued Irving share for \$65 at any time over the next seven years. Irving stockholders would receive one warrant for every four Irving shares they now own.

Irving said Tuesday that the addition to the Banca Commerciale offer increases significantly the value of the package. While the values of the various offers for Irving have been hotly disputed throughout, the directors said the new bid from the Milan bank was worth no less than \$79.50 a share.

That price would value the entire company at about \$1.47 billion, based on 18.5 million shares outstanding. Irving last month rejected a \$1.18 billion bid by Bank of New York.

Irving's stock, which closed unchanged Tuesday at \$71.375, fell

62.5 cents to \$70.75 a share in Wednesday afternoon trading on the New York Stock Exchange. Bank of New York dropped 12.5 cents to \$36.

The new offer was presented Tuesday by Felix G. Rohatyn, the investment banker at Lazard Frères & Co. who is advising Banca Commerciale. His firm told Irving's board that the warrants enhanced the value of the offer by \$4 a share.

Bank of New York and some banking analysts challenged the assumptions as to the value of the proposed warrants.

"Given that Irving's own advisers, Goldman, Sachs and J.P. Morgan, were a lot lower than the Lazard numbers, you have to view the Lazard numbers with skepticism," said Mark Lynch, a banking analyst at Bear, Stearns & Co.

**Deutsche Bank Acquires BofA Units in Argentina**

Reuters

**FRANKFURT** — Deutsche Bank AG said Wednesday that it had acquired 29 Bank of America branches in Buenos Aires for an undisclosed price. The acquisition will expand to 43 the number of Deutsche Bank branches in the city and suburbs.

DB's management board chairman, Alfred Herrhausen, told shareholders in May that the bank was seeking to acquire additional branches in Latin America.

Goldman, Sachs & Co. assigned an initial value to the warrants of \$2.75 to \$4.50 a share, and J.P. Morgan Co. indicated a range of \$3.25 to \$4.93.

Irving executives defended the right of Irving's board to accept the higher estimates. "We could have taken other numbers and come up with higher values," said Robert Falise, an Irving spokesman.

The price of a warrant, as a type of long-term option, is a function of several clear-cut factors, such as the exercise price and the duration of the contract, but it is also a function of more subjective factors, such as the projected volatility of the underlying security and changes in interest rates.

Bank of New York executives, who said their advisers at Morgan Stanley & Co. only value the warrants at 19 to 38 cents each, also questioned whether the competing offer, conditional on a current rights plan, would still be valid if a New York judge invalidated a challenged feature of Irving's antitakeover measure.

If by any chance the judge lifts the poison pill tomorrow, does that mean the BCI offer regarding these warrants is withdrawn?" asked Owen Brady, a Bank of New York spokesman.

Bank of New York currently is offering Irving shareholders 1,575 Bank of New York shares and \$15 in cash, but the rebuffed suitor, describing its "best and final offer," also told the judge last week that it might restore an earlier higher bid, depending on the litigation.

**French Enter British Market Via Kitchen**

Reuters

**PARIS** — BSN, France's largest food company, bought the makers of two major British condiments, Worcester and HP sauces, Wednesday for \$91 million.

Lei Perrin Inc. and HP Foods Ltd. were purchased from the British conglomerate Hanson PLC as a key to possibly facilitate entry into the British food market, according to the chairman of BSN, Antoine Riboud.

"I am convinced we shall modify the culinary taste of the British people with our French, Spanish and Italian products," he said. BSN sells Evin mineral waters, Kronenbourg beer and Danone yogurts.

In the fiscal year that ended last September, the two sauce companies together earned pretax profit of \$20.6 million on sales of \$159 million.

It remains to be seen, however, if the British sauces will become staples on French dining tables. Mr. Riboud said, "He said it took BSN some time to find a good buy in Britain, partly because the food industry is concentrated in a few hands and partly because of Britain's 'special culinary habits.'

The allegations in the letter might be regarded in that light. Mr. Slade added.

Mr. Icahn was not available for comment.

**Senator Urges Inquiry Into TWA's Aging Fleet**

Reuters

**NEW YORK** — Senator John B. Breaux, Democrat of Louisiana, has asked for an investigation into Trans World Airlines Inc.'s aging fleet of airliners and its financial and operating practices.

Mr. Breaux said he was urging the investigation to determine whether TWA's rising debt level, its dropping investment in new planes and related problems may be affecting safety.

He sent the request to Senator Wendell H. Ford, Democrat of Kentucky, who is chairman of the subcommittee on aviation of the Committee on Commerce, Science and Transportation. Mr. Breaux is a member of the committee.

Mr. Breaux said TWA's financial condition had worsened since it was taken over in 1985 by Carl C. Icahn, a New York-based investor who also is a major stockholder in Texaco Inc. The oil company, which has been resisting Mr. Icahn's advances, has significant holdings in Louisiana.

Stephen Slade, TWA vice president for government affairs, said the letter seems to parrot some materials which appeared in advertisements by Texaco toward the end of the proxy fight between Icahn and that company.

"The allegations in the letter might be regarded in that light. Mr. Slade added.

Mr. Icahn was not available for comment.

Mr. Breaux said, "At the time of the hostile takeover of TWA in 1985, allegations were made that Mr. Icahn would dangerously overleverage the company, with a resulting decay in the capital investment necessary to operate safely and efficiently in today's market. The record suggests that these were not idle concerns."

In his letter, dated June 30, Mr. Breaux said that TWA's debt rose to \$2.3 billion last year, or 90 percent of total capital, from \$1.3 billion, or about 71 percent of capital, at the end of 1985.

Investment in new aircraft fell to \$39 million last year from an average of \$203 million a year in the three years before Mr. Icahn's takeover, Mr. Breaux said.

The TWA fleet, more than 14 years old on average, is the oldest in the airline industry, he said. He cited reports of serious violations of federal safety standards, and he also noted long hours worked by TWA mechanics.

"These reports and allegations are of a serious nature," Mr. Breaux added. He said an investigation should consider whether Mr. Icahn's attempts to take over other companies puts further financial strain on TWA.

Mr. Slade said TWA would have 11 aircraft on order by the end of July and was negotiating with major manufacturers "to place a substantial aircraft order within the next 60 days."

**GT DEUTSCHLAND FUND SICAV**

Registered Office: 2, Boulevard Royal,  
2953 Luxembourg.  
R.C. Luxembourg B-23422.

Notice is hereby given to the shareholders, that the ANNUAL GENERAL MEETING of shareholders in GT DEUTSCHLAND FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L-2953 Luxembourg, on Friday, July 15, 1988 at 2:30 p.m. with the following agenda:

1. To consider and approve the Reports of the Board of Directors and of the Statutory Auditor;
2. To approve the Statement of Net Assets and the Statement of Operations as at March 31, 1988;
3. To discharge the Directors and the Statutory Auditor with respect of their performance of duties for the year ended March 31, 1988;
4. To elect the Directors and appoint the Auditor;
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. In order to attend the meeting of July 15, 1988 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, 2, Boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

**GT BIOTECHNOLOGY & HEALTH FUND Société Anonyme**

Registered Office: 2 Boulevard Royal, 2953 Luxembourg.  
R.C. Luxembourg B-23420

Notice is hereby given to the shareholders, that the ANNUAL GENERAL MEETING of shareholders in GT BIOTECHNOLOGY & HEALTH FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L-2953 Luxembourg, on Friday, July 15, 1988 at 3:00 p.m. with the following agenda:

1. To consider and approve the Reports of the Board of Directors and of the Statutory Auditor;
2. To approve the Statement of Net Assets and the Statement of Operations as at March 31, 1988;
3. To discharge the Directors and the Statutory Auditor with respect of their performance of duties for the year ended March 31, 1988;
4. To elect the Directors and appoint the Auditor;
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting. In order to attend the meeting of July 15, 1988 the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg, 2, Boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

**SUEZ: The Battle for Générale Has Ended, but Issue Remains in Doubt on the Profit War**

(Continued from first finance page)

French

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# Wednesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

	12 Month High	Low	Stock	Div.	Vid.	PE	Sis.	High	Low	Close	Chg.
12	74	74	ParkF	1.00	0.00	14	42	117	111	111	-1
18	84	74	PerfEl	0.60	0.24	10	42	117	111	111	-1
19	74	74	PerfEl	0.60	0.24	10	42	117	111	111	-1
20	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
21	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
22	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
23	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
24	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
25	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
26	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
27	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
28	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
29	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
30	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
31	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
32	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
33	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
34	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
35	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
36	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
37	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
38	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
39	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
40	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
41	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
42	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
43	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
44	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
45	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
46	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
47	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
48	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
49	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
50	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
51	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
52	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
53	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
54	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
55	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
56	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
57	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
58	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
59	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
60	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
61	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
62	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
63	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
64	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
65	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
66	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
67	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
68	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
69	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
70	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
71	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
72	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
73	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
74	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
75	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
76	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
77	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
78	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
79	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
80	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
81	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
82	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
83	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
84	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
85	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
86	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
87	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
88	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
89	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
90	154	152	PerfEl	0.60	0.24	10	42	117	111	111	-1
91	154										





## CURRENCY MARKETS

## Dollar Lower in Trendless Trading

Compiled by Our Staff From Dispatches

**NEW YORK.** — The dollar edged mostly lower on Wednesday, but the generally small declines defied technical predictions of a bigger drop.

Dealers in New York said activity was choppy and directionless, with the unwinding of large long mark-short yen positions helping the dollar withstand sales.

Many market participants said they now expect the dollar to stay at about its current levels until the United States releases its trade report for May. The announcement is due for July 15.

In New York, the dollar fell to 133.25 yen from 134.05 on Tuesday, and it declined to 1.5115 Swiss francs from 1.5125.

The British pound followed a Monday surge with a modest gain against the dollar. It rose to 1.79 marks after all, said one dealer in London. "It looks like it could stay here for a while."

The dollar rose to 1.8198 Deutsche marks from 1.8185, and it edged up to 6.1275 French francs from 6.1265.

"People are getting a little more shy of the trade number. Everybody's afraid to forecast what it will be," said Françoise Soares-Kemp, a vice-president in the Treasury division of Crédit Suisse.

"I think the action is mainly cautious technical trading," said Kathy Jones, a currency analyst at Prudential-Bache Securities Inc. in Chicago.

Earlier in London, the dollar ended lower on the day but above weak opening levels. It fell to 1.5220 DM from 1.5237 on Tuesday, and it dropped to 133.60 yen from 134.20.

Nonetheless, the dollar "still looks well bid, despite all the technical signs that say it is due for a correction," a U.S. bank dealer said.

Since mid-June, the dollar has gained around 7 percent against major currencies. It has been boosted by the belief that the U.S. trade position is improving, and that Washington wants the dollar to strengthen as the U.S. presidential

London Dollar Rates	Wednesday
Deutsche mark	1.5220
French franc	6.1275
Japanese yen	133.25
Swiss franc	1.5115
French franc	6.1255

Source: Reuters

election in November approaches. But technical forecasts, which predicted the advance, now call for a downturn.

The dollar fell in New York on Tuesday, which seemed to indicate the beginning of that reversal, but in Europe on Wednesday, bullish sentiment surfaced, and the U.S. unit then rose from early lows on short-covering dealers said.

"Maybe we're not going down to 1.79 marks after all," said one dealer in London. "It looks like it could stay here for a while."

(Reuters, UPI)

## Analysts Think Long Rise of New Zealand Dollar Is Over

Reuters

**WELLINGTON.** — The long rise of the New Zealand dollar, which has attracted investors from all over the world since it began its ascent two years ago, appears to be over, currency dealers and economists said.

According to the analysts, the currency's long run-up is about to falter on falling interest rates, sharply reduced inflationary expectations and slow economic growth.

"The days of a bewilderingly high exchange rate are over," one dealer said. "I think 72.50 U.S. cents is definitely history."

The local dollar, which hit that level on June 20, has since slipped to about 68.50 cents. Its close on June 20 represented a more than 63 percent rise from March 1985, when it first freely floated at 44.44 cents.

"The rise of the New Zealand dollar has been basically due to high interest rates, particularly short-term rates trading as high as 20 percent," said Peter Chan, treasury manager of DFC New Zealand Ltd.

"But in the last week or 10 days, interest rates have come off substantially, so support through interest rates is no longer there."

One economist said, "It was paradise — high interest rates and a rising currency." He said

the interest rate fall was due to slowing growth and reduced inflationary expectations.

The economist pointed to falling retail sales, growing unemployment, slow economic growth and an improving current account because of falling imports.

"Unlike Australia, our economy is weak, and yes, we are in the midst of a recession," he said.

Partly as a result of these trends, inflation is falling rapidly and forecast by most to drop below 5 percent this year. The consumer price index rose 9 percent in the year to March, compared with 18.3 percent a year earlier.

Mr. Chan said his forecast for price rises in the quarter ending in June, and succeeding quarters, is less than 1 percent.

"If that's the case, a prime interest rate of around 17 percent has to be out the door," he said. "Basing on that, the market is bullish on interest rates, so as interest rates come off and inflation comes down the currency should come accordingly," he added.

He also believes the government will have to ease monetary policy. "With real interest rates wider than 10 percent, it is absolutely ridiculous because you'd be choking off the economy completely," he said.

The economist agreed. "Monetary policy isn't tight; it's extraordinarily tight," he said. "We are disintegrating at an extraordinary rate."

He noted the Reserve Bank had already engineered a fall in short-term rates through its open market operations.

Recent bullish sentiment for the U.S. dollar means some of the inflows to New Zealand may be reversed.

"It may be that global funds will increase their weighting in the U.S. at the expense of places like Australia and New Zealand," the economist said.

An NZI Bank economist, Rodney Dickens, disagreed that the currency must fall. "On a trend basis, I don't think there's any way to be sure at all," he said.

Mr. Dickens is one of the most bullish on falling inflation and on interest rates. He picks a 0.4 percent inflation rate in the quarter ending in June.

"A lot of people are worried our interest rates are falling below Australia's but if you look at inflation rates, our inflation will soon be below Australia's."

He said the government could not afford to let the exchange rate slip because of its large debt.

(Continued on next page)

## Taiwan Reserves Decrease

Reuters

**TAIPEI.** — Taiwan's foreign currency reserves fell sharply to about \$70 billion this week and are likely to drop further, central bank officials said Wednesday.

"We expect further falls in our currency reserves," said the governor of the central bank, Chang Chi-cheng.

He attributed the fall to high gold imports and the appreciation of the U.S. dollar against major currencies in the first half of this year, which forced capital out of Taiwan and losses on exchange rates.

He said the foreign reserves amounted to about \$70.3 billion last year, compared with a record \$76.7 billion in December last year and \$61 billion this year.

Taiwan spent at least \$2.5 billion on gold in the first half of this year. It suffered exchange rate losses of almost \$2 billion from its holdings of yen and Deutsche marks when they depreciated against the U.S. currency in the same period, a central bank official said.

A stable U.S.-Taiwan dollar rate over the past five months has forced a capital outflow of about \$1.5 billion from Taiwan, he said.

The outflow accelerated when the U.S. dollar started appreciating against the Taiwan currency in the middle of last month, he said.

The reserves, which are among the world's largest, comprise 60 percent cash and 40 percent of foreign treasury bills, bonds and certificates of deposit.

(Reuters, UPI)

## World Bank Warns of a Global Recession

Reuters

**WASHINGTON.** — The World Bank warned Wednesday of the possibility of a global recession and increasing volatility in financial markets unless leading industrial nations improve their economic policies.

In a largely pessimistic assessment, the bank said that, "without significant changes in these policies, the present economic uncertainty may soon be followed by a worldwide recession."

In its annual World Development Report, which largely echoed earlier assessments by the Organization for Economic Cooperation and Development and the Bank for International Settlements, the bank said that lasting divergences in economic policy among the leading industrial countries threatened the global economy.

The bank seemed to be rejecting recent optimistic statements by the leaders of the Group of Seven nations, who met last month in Toronto. In their final communiqué, the leaders noted that economic coordination was succeeding in reducing trade and budget imbalances.

Net resource transfers from developing countries to the rest of the world must be reduced," the report said, adding that these nations pay more in interest payments than they receive from exports.

It stated that considerable progress had been made in the past few years in averting a much deeper crisis, but said that the huge debt carried by many countries remained an obstacle to growth.

The report called on the United States to further cut its budget deficit, saying that such action could

prove cooperation had reduced the immediate threat, but said that underlying problems remained.

"Large international imbalances persist, and there is a risk of further volatility in stock markets, exchange rates and interest rates," the report said.

The bank proposed a three-point remedial strategy: Leading industrial countries must persevere in their policies designed to reduce trade and budget imbalances; developing countries must reform their economies even if the international economic environment is unfavorable, and more outside funds must be made available to debtor countries.

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The report called on the United States to further cut its budget deficit, saying that such action could

have widespread benefits including currency stability.

The brightest note in the international economy, it said, was Japan's shift to domestic-led growth.

Recent trends in Europe, however, were less favorable. "High unemployment continues to restrain domestic demand and hold growth below potential in most countries in the European Community," the bank said.

The report said the risk of renewed weakness of the dollar had put policymakers in a quandary.

On one hand, further declines could lead to higher inflation in the United States, it said. On the other, pushing up interest rates to support the dollar risks causing a domestic recession and a further disruption of the stock market.

This could also harm countries of the Third World, weighted down by debt and faced with increasing poverty.

"Since 1980, matters have turned from bad to worse," the report continued. "Economic growth rates have slowed, real wages have dropped, and growth in employment has faltered in most developing countries," the report said.

Bank officials conceded that im-

## INSIDER: Scandal Touches Political Circles in Japan

(Continued from page 1) problems from causing problems for the company," the spokesman said.

The Nikkei Keizai group publishes a string of financial newspapers and magazines and operates a global financial information service. It also prints The Tokyo edition of the Wall Street Journal.

Mr. Miyazawa, Mr. Abe and Mr. Watanabe are the three likeliest candidates to replace Japan's prime minister, Noboru Takeshi, when he steps down in the next few years.

According to stock market experts, the transactions, while unusual, were entirely legal, since a privately held company can stock to whomsoever it wants and at whatever price.

But critics have charged that those involved with the transactions had committed "morally insensitive" acts, in the words of one political analyst.

The parliament this year passed new laws to clamp down on insider trading on Japanese sharemarkets.

The politicians named by Asahi Shimbun said they knew little or nothing about the stock transactions of their sides and that in any case, it did not involve them.

An official in Mr. Nakasone's office said that two of the former prime minister's aides had been allowed to buy the Recruit Cosmo stock "by the good will" of an unnamed third party, but that the transactions had "nothing to do with Nakasone."

Mr. Abe told reporters that his

side had not yet informed him of the stock transactions but "anyway this does not violate the law."

"Even if my secretary did, he shouldn't be criticized," Mr. Abe said.

Mr. Miyazawa also said he had nothing to do with his aide's activities and that his aide had denied involvement in the transactions.

According to one political side, politicians usually leave political fund-raising to secretaries such as those mentioned in the Recruit transactions. "The secretaries are the people who do the fund raising for the politicians. A politician can rise and fall on the success of their secretaries," the aide said.

As in many other countries, in Japan money is key to political success.

## Wednesday's OTC Prices

NASDAQ prices as of 4 p.m., New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value.

Via The Associated Press

12 Month High Low Stock DIV. Y.M. PE Sales in Millions

High Low Stock DIV. Y.M. PE Sales in Millions

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## BRIEFS

Plan to Broaden  
ges With the North

Roh Tae Woo, in a speech to the nation, announced a major change in South Korea's foreign policy. He said that he would allow trade with the North and would encourage North Korea to respond. North Korea has agreed to include representatives of its allies from the past. He addressed both North Korea as a "part of our state," and the Soviet Union, suggesting that they should improve relations with each other at international gatherings.

Roh called for widespread exchanges, including politicians, students, teachers, administrators, palms up and outward, surrender old enemies for cash.

Right now the United States is

new. With the 1994 World Cup

in their pocket, it hurries to form

the genuine league it hasn't had

in 25 years.

England, with the world's oldest

league, is spiritually falling

apart through greed. In this its

century summer, her league resem-

bles a family at war with itself

as big clubs try to deprive their

smaller brothers of new profits.

They race toward fool's gold in

an unseemly manner avoided by

more sophisticated Europeans.

Burgeoning satellite broadcasters

are everywhere, dangling carrots

in exchange for exclusive deals.

West Germany's Bundesliga,

for example, last month signed

up with RTL-plus, a cable com-

munity offering \$79 million for

three years. The clubs took the

money and ran, leaving behind two-thirds of their fans who are not yet RTL-plus subscribers.

But at least the Bundesliga

is holding together.

In England, British Satellite

Broadcasting, a new conglomerate

has negotiated to pay £25 mil-

lion (\$35.5 million) for next sea-

son, which with advertising and

ancillary rights is expected to

reach £25 million in subsequent

years.

This despite the embarrassing

flaws in England's game at the

European championships and

despite Britain's two main rival

channels, BBC and ITV, having

left soccer off the screen alto-

gether in 1985-86.

Suddenly, ITV held clandes-

tine talks with five hot clubs —

Arsenal, Tottenham, Manches-

ter United, Liverpool and Ever-

ton. It offered each £1 million for

exclusive 1988-89 coverage, which

would cut out BSB, bypass the

BBC, the English League and

the football association, and

would squeeze dry the rest of

England's 92 professional teams.

Later, five other clubs — New-

castle, Aston Villa, Nottingham

Forest, Sheffield Wednesday and

West Ham — were brought

into the bartering.

ITV offers nothing to the other

10 First Division teams, never

mind the smaller fry that exist as

schooling grounds for top pro-

toch open Thursday, is expected to de-

termine the pace for more sofe-

ness as seen as a watershed in tele-

vision initiative has virtually halted

the progress of the Football League."

The men do double are Dein:

Newcastle's chairman, Gordon

McKeag, and the league presiden-

tant, Philip Carter of Everton.

Noades believes they have

breached league rules by sepa-

rately negotiating with ITV.

By Wednesday compromise

Rob Hughes is on the staff of the Sunday Times.

## Game Lost in the Market

International Herald Tribune

LONDON — When market forces pervade a sport, there can be only one winner, money; among the losers are the spirit of the sports and the fans.

Television becomes both banker and broker, packaging sport to boost sponsors' sales. When ITV thinks the novelty's worn off, it goes looking for something else.

Whether or not soccer sees itself being so used hardly matters. Administrators, palms up and outward, surrender old stories for cash.

Right now the United States is new. With the 1994 World Cup in their pocket, it hurries to form the genuine league it hasn't had in 25 years.

England, with the world's oldest

league, is spiritually falling apart through greed. In this its

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years.

franchises and every now and then rise up through the league ranks to ouplay the bigwigs.

Their share of TV income — currently half the money goes to the First Division and half to clubs below that — is lifeblood.

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Such a league would come

within the scope of Jacques

Georges, the French president of

UEFA, who sees to warn:

"We are still the hawks. But none of the big five (or the big 10) is asking how long it might take for those ambitious few to sit one another's throats to pursue, if ever the gates open, a European Super League?

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Such a league would come

## ART BUCHWALD

*A Lawyer's Field Day*

**WASHINGTON** — I was almost run over by a Maserati the other day. The driver was a friend we all call "Louie the Lawyer."

He had a huge grin on his face. "We're back in business," he said, wiping the windshield with a \$100 bill.

"I didn't think lawyers were ever out of business," I answered.

"This is really big. We're talking about a scandal that could reach to the very top of the teapot on the Pentagon. We're looking down the road at hundreds of indictments of officers, civilians and defense contractors. This is a legal bonanza the likes of which Washington has never seen."

"How did it happen?"

"I'm not talking about you," I told Louie. "I mean how could so many people have committed so many criminal acts under a watchful eye of the vigilant secretary of defense?"

"Nobody committed any criminal acts, at least none that can be proven. That's the reason they all need lawyers. Our job is to prove their innocence, and if we can't do that, then we will at least plea-bargain with the government to keep them out of jail. Because it involves a great deal of work, it means we have to burn a lot of oil late into the night. But that's what we get paid for."

**Some Alligator Stew, Or Perhaps a Sandwich**

New York Times Service

**COLUMBIA, South Carolina** — Alligators are turning up in stews and dips, between hamburger buns and on ice in fish markets here.

When alligators were taken off the U.S. national endangered species list a year ago, the South Carolina Department of Wildlife and Marine Resources developed a program to kill alligators considered threats to the public. The meat and skins are sold. About 14 restaurants and markets now feature alligator meat.



Buchwald

"How can you be sure that you will get paid?"

"We have to assume that all the clients who are pleading innocent have put away enough money from their activities to ensure that their lawyers' fees will be covered in case they're caught."

"I bet you there are some who didn't," I said.

"Then they will have to go to jail as common criminals. Lawyers who have no use for indicted clients who don't think ahead."

"According to the newspapers, the players in the Pentagon scandals are defense officials, consultants and contractors. Is there anybody you prefer to represent more than the others?"

"The defense contractors always come first in my book. They eat in the best restaurants, and the government rarely has the heart to send them to jail. White-collar tradition requires that the best way to make them atone for their sins is to get them to pay a fine. After contractors, I like to defend consultants because I can always ask the Justice Department to allow them to rat on clients in exchange for a suspended sentence."

"I didn't know that consultants ratified on their own clients."

"It's not in the contract, but they'll do it if they have to. The last group, government employees, have to be examined with caution before I'll take them on as clients. I don't mind defending an assistant secretary of the navy, or some general in charge of engine contracts for the air force, but I'm not going to help out an army clerk who typed up the bids to competitors."

"Why not?"

"Because when it's all over, he's the guy they'll throw the book at. It doesn't matter how I plead him, they won't let him off because they want to teach all Pentagon clerks a lesson."

"Well, at least you have enough work to keep busy."

Louie said, "I thought 1987 was a vintage year for lawyers, but this summer is going to break all records. We've doubled our office space and because of the number of indictments our lawyers have agreed to make house calls."

"So this is your way of saying how happy all the lawyers in Washington are these days."

"Greed has been good to us."

**Finally, a Statue of Dreyfus**

By Barry James

International Herald Tribune

**P**ARIS — Ramrod straight like the soldier it represents, the statue of Alfred Dreyfus stands with saber pommeled held stiffly under uplifted chin. The blade, shattered a few inches beyond the hilt, movingly tells the story of Dreyfus's shame.

The statue, according to its creator, Louis Mitelberg, is the first of its kind in France, where the story of Dreyfus — a Jewish army captain disgraced as a German spy on false evidence and later rehabilitated — still causes political discomfort.

Mitelberg is better known as Tim, a political cartoonist and caricaturist whose work appears regularly in the French news magazine L'Express.

The monument to Dreyfus was erected recently in the Tuilleries garden in Paris, not far from the parade ground where on Dec. 22, 1894, Dreyfus was stripped of his insignia of rank and his sword broken.

It was created as part of a program initiated by President François Mitterrand to put statues of 100 personalities in public places.

The minister of culture, Jack Lang, commissioned the statue during his tenure in the Socialist government in power from 1981 to 1986. When Lang came back to that post in the newly appointed government of Prime Minister Michel Rocard, the first thing he did was to inaugurate the statue.

"I did not realize that my first act as a minister would coincide with what we are living through on a moral and political level," he said, referring to the presence of the extreme right-wing National Front, which he called "the party of the anti-Dreyfusards."

The National Front won 14 percent of the vote in the first round of the presidential elections in April, but later lost heavily in the parliamentary elections.

The Ministry of Culture said the statue symbolizes the fact that democracy can only be durably founded on justice and tolerance." It said the placement of the statue in a public place was also an act of justice toward Mitelberg, who completed it in 1986 but was not able to display it because of opposition from the former right-of-center government of Prime Minister Jacques Chirac.

As mayor of Paris, Chirac still has veto power on where the statue will eventually be placed. Lang said he does not consider the Tuilleries garden by the river Seine to be the ideal location, but it was chosen because, belonging as it does to the national government, the city's witt does not run there.

"The Ministry of Culture," a statement said, "hopes that future negotiations with the city of Paris will lead to an agreement for a site which would recall the struggles that Dreyfus symbolized."

Mitelberg was approached by Lang during a 1985 exhibition in which he was showing



Statue of Alfred Dreyfus in the Tuilleries

gested, would be outside the Palace of Justice, where Dreyfus was sentenced in 1894 to life imprisonment, after what his defenders said was a parody of a trial.

He was retired, convicted a second time of high treason in 1899 and sentenced to 10 years imprisonment after which he was paraded in an attempt to dampen the furor over the case. Dreyfus was cleared of all charges by a civilian court of appeals in 1906, given the Légion d'Honneur and reinstated in the army with the rank of major. He died in relative obscurity in 1935.

The original plan was to place the statue on the parade ground of the Ecole Militaire, where Dreyfus was degraded before being placed. Lang said he does not consider the Tuilleries garden by the river Seine to be the ideal location, but it was chosen because, belonging as it does to the national government, the city's witt does not run there.

That was too much not only for the right, but also for the former Socialist defense minister, Charles Hernu, who said he did not think the military college, where the army would be constantly reminded of the injustice, would have been an appropriate location. For one thing, he said, "the place is not open to the public."

Mitelberg was approached by Lang during a 1985 exhibition in which he was showing

the sculpted busts of several modern figures such as de Gaulle, Nixon and Mao.

"When I gave me the list of possible subjects, I knew immediately that I wanted to do Dreyfus, and I knew from the start exactly how I wanted to do it," he said. "I was reading Jean-Denis Bredin's book about the case, 'L'Affaire,' and I wanted to find a gesture that combined the pride and the shame of Dreyfus, whose only desire was to remain an officer."

The one-ton bronze statue, in Tim's characteristic semi-abstract style, stands nearly 3½ meters (10 feet) tall in the middle of a grove of trees. Eventually, he said, he would like to surround it with busts representing the men who came to Dreyfus's defense and played a vital role in rehabilitating him — Jean Jaurès, Georges Clemenceau and Emile Zola, whose famous "Accuse" earned him a one-year jail sentence for libel.

The Dreyfus affair deeply divided all of France and raised issues of rationalism and toleration, the echoes of which still persist.

Ranged against Dreyfus were the right, the anti-Semites, various patriotic organizations, and those who believed the higher interests of the nation came before the interests of any individual.

For him stood the League for the Rights of Man founded in response to Zola's appeal and many of the most prominent liberal thinkers in society and even in the Army. The events of those years will be recalled again next year with the inauguration of a Foundation for the Rights of Man to mark the 200th anniversary of the start of the French Revolution.

"Ever since the French Revolution, there have been two parallel trends in French society keeping a vigilant watch on one another," said Mitelberg. "There are still people today who oppose the revolution who without the revolution wouldn't be able to read and write."

Mitelberg, who was born in Poland in 1919, first heard about Dreyfus from his father in Warsaw. He came to Paris to study architecture at the age of 17, was mobilized in World War II, captured and sent to a German prisoner of war camp. He escaped via Lithuania and made his way to Britain where he joined de Gaulle's Free French forces. He began publishing his first cartoons and designs even before being demobilized in 1945. He was a member of the editorial board of L'Express since 1976.

Mitelberg said that on the day the statue was inaugurated, a party of schoolchildren happened by with their teacher. They asked who Dreyfus was, and the teacher told the story. "That is exactly the function of a work of public art," the artist said. "I wanted my statue to show that Dreyfus was faithful and that it was the others who accused him who were traitors."

**PEOPLE****A Soviet Art Auction**

The international auction of officially approved Soviet artwork, scheduled for Thursday, drew criticism over the exporting of valuable paintings and because the Soviet public is barred. A Soviet journalist asked Pavel Kharashilov, director of the Culture Ministry's export branch, whether the artwork had "no value as national art" if it was to be allowed to leave for the West without restriction. Kharashilov acknowledged the "psychologically very difficult task" to "part with artwork selected for auction and know they would leave our country." Sotheby's, the British auction house, will conduct the sale in Moscow. Attending Wednesday's press conference was Sotheby's chairman, Lord Gowrie, and Soviet officials who organized the auction.

Eighteen of the paintings are Russian avant-garde works from 1910 to 1940, some donated by the families of the painters, who include Alexander Rodchenko and Varvara Stepanova. One Rodchenko painting, "Line" — a white line zig-zagging across a black background — is estimated to sell at \$154,000 to \$205,000. The other 100 paintings are contemporary works by 30 artists including the Russian nationalist, Ilya Glazunov who commands the top list prices among contemporary artists. Under the auction rules, the artists or owners will obtain 10 percent of the final price in pounds sterling and 50 percent in rubles at the official exchange rate.

A diamond heart-shaped pendant and necklace that Adrienne Francis has worn for more than 40 years was snatched from her neck by a thief as she walked down a midtown Manhattan avenue in New York. The heart, a gift from her late husband Martin Gabel on their first anniversary, is "a valuable," the 79-year-old actress and television personality said. The pendant triggered a fad in the mid-1950s because Francis was it while a panelist for 25 years on the TV game show, "What's My Line." She never took the pendant off.

**Marino de Medici**, the dead Washington foreign correspondent, has become director of information and communications for the United Nations International Fund for Agricultural Development in Rome. De Medici, who came to Washington in 1966 as correspondent for the Italian newspaper Ansa and since 1969 has been the U.S. correspondent for the Italian newspaper *Il Tempo*.

Britain's Queen Elizabeth II performed a wreath-laying ceremony on Wednesday at the tiny village of Oosterbeek, The Netherlands, to honor British paratroopers killed in one of the Allies' great tactical mistakes of World War II, the Battle of Arnhem. To the sound of a military bagpipe, Elizabeth and Prince Philip and their hosts, Dutch Queen Beatrix and her husband Prince Claus, walked through the Arnhem-Oosterbeek War Cemetery, pausing at several graves. Elizabeth laid a wreath of red poppies at the memorial cross. Many of the British paratroopers buried in the cemetery were killed in an assault that became the centerpiece of the movie "A Bridge Too Far." The wreath bore a Buckingham Palace card inscribed with the words "A Memory of the Glorious Dead from HM Queen Elizabeth II."

**Economy**

By Reginald Dale

International News Service

**PARIS** — With just four months to go before the U.S. elections, traditional economists believe the next president will face mounting pressure to adopt tougher economic policies toward allies.

At home, the new, although less ideologically extreme, campaign of the president-elect must be a convincing sell on the budget deficit.

There is, however, as yet no clear view among economists on the two likely candidates. George Bush for the Republicans and Michael S. Dukakis for Democrats, would be best equipped to deal with these challenges.

Many experts, particularly in Western Europe, say they will face little fundamental difference between the two world economic issues such as trade and inflation.

And the international financial and foreign exchange markets are not yet showing signs of anxiety over the approaching leaders' change in the White House.

If the financial markets were powerfully concerned about one, the other getting in, in the short term, would not have been as strong as it was recently," said Paul H. Smith Barney's Paris-based international economist.

So far, the policies outlined by the two contenders' economic teams are "virtually indisputable," with both camps adopting pragmatic attitudes marked by absence of dogmatic ideology.

Mr. H. Horne said, "In addition to tackling the budget deficit, economists' focus on the Atlantic side of the

**Kiosk****Roof Collapses, 3 Die in Texas**

**BROWNSVILLE, Texas** — A department store roof collapsed during a torrential rainstorm Thursday, killing at least three people, injuring many and trapping a number of 100 others in the rubble, authorities said.

"It looks real bad," said Cameron County Sheriff Alex Perez. "It's a disaster. There was a bomb hit that corner store there." The block was located about one block north of the bridge which links the United States and Mexico.

**Page 13****FOR MORE CLASSIFIEDS**

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